

# UNION TOWNSHIP

FINLEYVILLE, PENNSYLVANIA

ANNUAL FINANCIAL REPORT  
AS OF DECEMBER 31, 2009

Cypher & Cypher

Accountants | Auditors | Advisors

UNION TOWNSHIP

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## Independent Auditor's Report

Union Township  
Finleyville, Pennsylvania

Gentlemen:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Township as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Union Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1.E, Union Township prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Union Township as of December 31, 2009, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.E.

The management's discussion and analysis on Pages i through iv is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union Township's basic financial statements. The accompanying combining balance sheet on Page 22 and the combining statement of cash receipts and disbursements and changes in cash basis net assets on Page 23 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining balance sheet and the combining statement of cash receipts and disbursements and changes in cash basis net assets have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CYPHER & CYPHER

A handwritten signature in cursive script, appearing to read "Cypher & Cypher", written in black ink.

CERTIFIED PUBLIC ACCOUNTANTS

March 8, 2010  
Canonsburg, Pennsylvania

## Management's Discussion & Analysis

**UNION TOWNSHIP**  
**FINLEYVILLE, PENNSYLVANIA**

**Management's Discussion and Analysis (MD&A)      December 31, 2009**

Our discussion and analysis of Union Township's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2009. The MD&A should be read in conjunction with the financial statements and footnotes.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued June 1999.

**The Township**

The Township is organized under laws of the Commonwealth of Pennsylvania. (the "Commonwealth").

The governing body of the Township is an elected Board of five supervisors.

**Financial Highlights**

Our financial statements provide these insights into the results of this year's operations. The General Fund and Capital Reserve Fund are our major funds that receive and spend most of our resources:

- The General fund reported a decrease in fund balance of \$(137,769).
- The Capital Reserve fund reported an increase in fund balance of \$400,702.
- The Non-major funds reported a net increase in fund balance of \$12,940.
- The Sewer fund reported an increase in fund balance of \$1,844,424.

**Reporting the Township as a Whole**

**The Statement of Net Assets and Statement of Activities**

The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and its activities. These statements include all assets and liabilities that reflect the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader with a tool to assist in determining whether the Township's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, and facility conditions in arriving at a conclusion regarding the overall health of the Township.

The following table reflects the condensed Statement of Net Assets:

**Statement of Net Assets  
As of December 31, 2009**

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Current and Other Assets	\$ 1,038,410	\$ 1,328,672	\$ 206,456	\$ 580,936	\$ 1,244,866	\$ 1,909,608
Non Current Assets			282,722	3,579,299	282,722	3,579,299
<b>Total Assets</b>	<u>1,038,410</u>	<u>1,328,672</u>	<u>489,178</u>	<u>4,160,235</u>	<u>1,527,588</u>	<u>5,488,907</u>
Current and Other Liabilities	31,258	45,647	122,658	243,675	153,916	289,322
Non Current Liabilities			165,651	1,868,768	165,651	1,868,768
<b>Total Liabilities</b>	<u>31,258</u>	<u>45,647</u>	<u>288,309</u>	<u>2,112,443</u>	<u>319,567</u>	<u>2,158,090</u>
Invested in Capital Assets			111,688	1,705,093	111,688	1,705,093
Restricted	130,576	544,218			130,576	544,218
Unrestricted	876,576	738,807	89,181	342,699	965,757	1,081,506
<b>Total Net Assets</b>	<u>\$ 1,007,152</u>	<u>\$ 1,283,025</u>	<u>\$ 200,869</u>	<u>\$ 2,047,792</u>	<u>\$ 1,208,021</u>	<u>\$ 3,330,817</u>

**Assets, Liabilities & Net Assets**

As of December 31, 2009 the Township had total assets of \$5.5 million. This amount represents principally cash, investments, and sewer fund fixed assets at year end.

Total liabilities as of December 31, 2009 totaled \$2,158,090. This amount consists of escrow account deposits, accounts payable, and long term sewer fund notes payable.

The resulting \$3,330,817 in net assets include \$1.7 million invested in capital assets, \$544 thousand reserved for various designated purposes and \$1.1 million of undesignated amounts not reserved for specific purposes.

The following table reflects Changes in Net Assets:

Fiscal year ended December 31, 2009  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
<b>Program Revenues:</b>						
Charges for Services	\$ 58,658	\$ 61,004	\$ -	\$ 212,700	\$ 58,658	\$ 273,704
Operating Grants and Contributions	153,446	147,890	373,566	1,650,968	527,012	1,798,858
<b>General Revenues:</b>						
Property Taxes	410,066	408,684			410,066	408,684
Other Taxes	551,739	487,886			551,739	487,886
Grants Subsidies and Contributions	50,065	59,598			50,065	59,598
Other	289,715	163,855	642		290,357	163,855
	<u>1,513,689</u>	<u>1,328,917</u>	<u>374,208</u>	<u>1,863,668</u>	<u>1,887,897</u>	<u>3,192,585</u>
<b>Expenditures:</b>						
General Government	215,619	271,108			215,619	271,108
Public Safety	215,327	147,405			215,327	147,405
Health and Sanitation						
Highways and Streets	827,611	517,490			827,611	517,490
Culture and Recreation	6,006	15,431			6,006	15,431
Employee Benefits, Insurance, and Mis	82,157	76,027			82,157	76,027
Debt Service	1,075	25,583			1,075	25,583
Sewer Operations			7,787	19,244	7,787	19,244
	<u>1,347,795</u>	<u>1,053,044</u>	<u>7,787</u>	<u>19,244</u>	<u>1,355,582</u>	<u>1,072,288</u>
<b>Change in Net Assets</b>	<u>\$ 165,894</u>	<u>\$ 275,873</u>	<u>\$ 366,421</u>	<u>\$1,844,424</u>	<u>\$ 532,315</u>	<u>\$ 2,120,297</u>

**Revenues**

Total revenues for the Township for 2009 amounted to 3.28 million. Of this amount, \$896 thousand were from real estate and other taxes. Revenue from real estate and earned income taxes continues to be the primary source of revenue for the Township's operations.

**Expenditures**

Total Township spending for 2009 amounted to \$1.07 million. Highways and streets totaled \$517 thousand or 48%, general government totaled \$271 thousand or 25%, and public safety totaled \$147 thousand or 14%. The remaining 13% was a combination of various other expenditure categories.

## Financial Analysis of Governmental Funds

The following table reflects changes in fund balance:

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Non-Major Funds</u>	<u>Combined Total</u>
December 31, 2008	\$ 876,576	\$ 134,379	\$ (3,803)	\$ 1,007,152
Increase (Decrease)	(137,769)	400,702	12,940	275,873
December 31, 2009	<u>\$ 738,807</u>	<u>\$ 535,081</u>	<u>\$ 9,137</u>	<u>\$ 1,283,025</u>

The increase and decrease in the Capital Reserve and General Fund, respectively, is the result of a transfer between those funds.

### Debt Administration

The following table reflects the Township's long term debt obligations:

<u>Notes Payable</u>	<u>Sewer Notes Payable</u>	<u>Sick Days</u>	<u>Total</u>
\$ 70,789	\$ 1,874,206	\$ 20,403	\$ 1,965,398

The sewer notes payable above consist mainly of PennVest notes which are used to cover engineering costs related to the Elrama Sewerage Project.

### General Fund Budgetary Highlights

For the year ended December 31, 2009, General Fund revenues were \$22 thousand above budgeted revenues, while expenditures were \$285 thousand under budgeted expenditures.

### Contacting the Township's Financial Management

Our financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to illustrate the Township's accountability for the funds it receives. Questions concerning this report or a request for additional information should be addressed to Union Township, 3904 Finley Elrama Road, Finleyville, PA 15332, telephone (724) 348-4250.

# Basic Financial Statements

UNION TOWNSHIP  
STATEMENT OF NET ASSETS  
AS OF DECEMBER 31, 2009

	Governmental Activities	Business Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Deposits	\$ 336,554	\$ 581,696	\$ 918,250
Investments	991,358		991,358
Internal Balances	760	(760)	
Total Current Assets	<u>1,328,672</u>	<u>580,936</u>	<u>1,909,608</u>
Noncurrent Assets:			
Capital Assets (net)		3,579,299	3,579,299
Total Noncurrent Assets		<u>3,579,299</u>	<u>3,579,299</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,328,672</u>	<u>\$ 4,160,235</u>	<u>\$ 5,488,907</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$	\$ 238,237	\$ 238,237
Payroll Deductions and Withholdings	1,680		1,680
Current Portion of Noncurrent Liabilities		5,438	5,438
Deposits	43,967		43,967
Total Current Liabilities	<u>45,647</u>	<u>243,675</u>	<u>289,322</u>
Noncurrent Liabilities:			
Sewer Revenue Notes Payable		1,874,206	1,874,206
Less: Current Portion of Noncurrent Liabilities		(5,438)	(5,438)
Total Noncurrent Liabilities		<u>1,868,768</u>	<u>1,868,768</u>
Total Liabilities	45,647	2,112,443	2,158,090
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt and Inclusive of Long-Term Receivables		1,705,093	1,705,093
Restricted for:			
Capital Reserve	535,081		535,081
Other Reserves	9,137		9,137
Unrestricted	738,807	342,699	1,081,506
TOTAL NET ASSETS	<u>1,283,025</u>	<u>2,047,792</u>	<u>3,330,817</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,328,672</u>	<u>\$ 4,160,235</u>	<u>\$ 5,488,907</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>					
General Government	\$ 271,108	\$ 4,304	\$	(266,804)	\$ (266,804)
Public Safety	147,405	55,580		(91,825)	(91,825)
Highways and Streets	517,490	220	147,890	(369,380)	(369,380)
Culture and Recreation	15,431	900		(14,531)	(14,531)
Employee Benefits, Insurance, and Miscellaneous	76,027			(76,027)	(76,027)
Debt Service	25,583			(25,583)	(25,583)
<b>Total Governmental Activities</b>	<b>1,053,044</b>	<b>61,004</b>	<b>147,890</b>	<b>(844,150)</b>	<b>(844,150)</b>
<b>Business Type Activities</b>					
Sewer Operations	19,244	212,700	1,650,968	1,844,424	1,844,424
<b>Total Business Type Activities</b>	<b>19,244</b>	<b>212,700</b>	<b>1,650,968</b>	<b>1,844,424</b>	<b>1,844,424</b>
<b>Total Government</b>	<b>1,072,288</b>	<b>273,704</b>	<b>1,798,858</b>	<b>(844,150)</b>	<b>1,000,274</b>
<b>General Revenues, Special and Extraordinary Items and Transfers</b>					
Taxes					
Property Taxes				408,684	408,684
Other Taxes				487,886	487,886
Grants, Subsidies and Contributions, Unrestricted				59,598	59,598
Investment Earnings				7,948	7,948
Fees and Charges for Services				55,548	55,548
Miscellaneous Income				100,359	100,359
<b>Total General Revenues, Special and Extraordinary Items and Transfers</b>				<b>1,120,023</b>	<b>1,120,023</b>
<b>Change in Net Assets</b>				<b>275,873</b>	<b>2,120,297</b>
<b>Net Assets - Beginning of Fiscal Year</b>				<b>1,007,152</b>	<b>1,208,021</b>
<b>Prior Period Adjustment</b>				<b>2,499</b>	<b>2,499</b>
<b>Net Assets - End of Fiscal Year</b>				<b>\$ 1,283,025</b>	<b>\$ 3,330,817</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
BALANCE SHEET - CASH BASIS - GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2009

	Governmental Funds			Totals
	General Fund	Capital Reserve Fund	Non-Major Funds	
<b>ASSETS</b>				
Cash and Deposits	\$ 317,780	\$	18,774	\$ 336,554
Investments (At Fair Value)	421,617	535,081	34,660	991,358
Interfund Receivable	14,254			14,254
<b>TOTAL ASSETS</b>	<u>\$ 753,651</u>	<u>\$ 535,081</u>	<u>\$ 53,434</u>	<u>\$ 1,342,166</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Interfund Payable	\$		13,494	\$ 13,494
Payroll Deductions and Withholdings	1,680			1,680
Deposits	13,164		30,803	43,967
Total Liabilities	<u>14,844</u>		<u>44,297</u>	<u>59,141</u>
<b>FUND BALANCES</b>				
Fund Balances -				
Reserved for Highways			19,244	19,244
Reserved for Capital Reserve		535,081		535,081
Reserved for Street Lighting and Fire Protection			(10,107)	(10,107)
Unreserved -				
Designated	422,923			422,923
Undesignated	315,884			315,884
Total Fund Balances	<u>738,807</u>	<u>535,081</u>	<u>9,137</u>	<u>1,283,025</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 753,651</u>	<u>\$ 535,081</u>	<u>\$ 53,434</u>	<u>\$ 1,342,166</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN CASH BASIS NET ASSETS - GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2009

	Governmental Funds			Totals
	General	Capital Reserve Fund	Non-Major Funds	
<b>Revenues</b>				
Real Estate Taxes	\$ 408,684	\$		\$ 408,684
Local Enabling Taxes	487,886			487,886
Licenses and Permits	57,918			57,918
Fines and Forfeits	9,657			9,657
Interest and Rents	6,912	702	334	7,948
Intergovernmental Revenues	59,597		147,891	207,488
Departmental Earnings	116,552			116,552
Miscellaneous	23,843		8,941	32,784
<b>Total Revenues</b>	<u>1,171,049</u>	<u>702</u>	<u>157,166</u>	<u>1,328,917</u>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	270,885		223	271,108
Public Safety	147,405			147,405
Highways and Streets	373,487		144,003	517,490
Culture and Recreation	15,431			15,431
Employee Benefits, Insurance, and Miscellaneous	76,027			76,027
Debt Service				
Principal and Interest	25,583			25,583
<b>Total Expenditures</b>	<u>908,818</u>		<u>144,226</u>	<u>1,053,044</u>
<b>Revenues Over (Under) Expenditures</b>	262,231	702	12,940	275,873
<b>Other Financing Sources (Uses)</b>				
Interfund Transfers In	25,000	425,000		450,000
Interfund Transfers (Out)	(425,000)	(25,000)		(450,000)
<b>Total Other Financing Sources</b>	<u>(400,000)</u>	<u>400,000</u>		
<b>Net Change in Fund Balances</b>	(137,769)	400,702	12,940	275,873
<b>Fund Balances - January 1, 2009</b>	876,576	134,379	(3,803)	1,007,152
<b>Fund Balances - December 31, 2009</b>	<u>\$ 738,807</u>	<u>\$ 535,081</u>	<u>\$ 9,137</u>	<u>\$ 1,283,025</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN CASH BASIS NET ASSETS  
BUDGET VS ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2009

	Original Budget	Final Budget	Actual (Budgetary Basis)	Over (Under) Budget - Final
<b>Revenues</b>				
Real Estate Taxes	\$ 400,000	\$ 400,000	\$ 408,684	\$ 8,684
Local Enabling Taxes	493,000	493,000	487,886	(5,114)
Licenses and Permits	46,350	46,350	57,918	11,568
Fines and Forfeits	10,000	10,000	9,657	(343)
Interest and Rents	6,500	6,500	6,912	412
Intergovernmental Revenues	60,150	60,150	59,597	(553)
Departmental Earnings	109,750	109,750	116,552	6,802
Miscellaneous	23,000	23,000	23,843	843
Total Revenues	<u>1,148,750</u>	<u>1,148,750</u>	<u>1,171,049</u>	<u>22,299</u>
<b>Expenditures</b>				
General Government	253,985	253,985	270,885	16,900
Public Safety	189,600	189,600	147,405	(42,195)
Health and Sanitation	500	500		(500)
Highways and Streets	620,500	620,500	373,487	(247,013)
Culture and Recreation	8,900	8,900	15,431	6,531
Employee Benefits, Insurance, and Miscellaneous	92,250	92,250	76,027	(16,223)
Debt Service				
Principal and Interest	27,850	27,850	25,583	(2,267)
Refund of Prior Year Expenditures	250	250		(250)
Total Expenditures	<u>1,193,835</u>	<u>1,193,835</u>	<u>908,818</u>	<u>(285,017)</u>
Revenues Over (Under) Expenditures	(45,085)	(45,085)	262,231	307,316
<b>Other Financing Sources (Uses)</b>				
Sales of Assets	1,000	1,000		(1,000)
Interfund Transfers In	45,000	45,000	25,000	(20,000)
Interfund Transfers (Out)			(425,000)	(425,000)
Total Other Financing Sources & (Uses)	<u>46,000</u>	<u>46,000</u>	<u>(400,000)</u>	<u>(446,000)</u>
Net Change in Fund Balances	915	915	(137,769)	(138,684)
Fund Equity - January 1, 2009	<u>876,576</u>	<u>876,576</u>	<u>876,576</u>	
Fund Equity - December 31, 2009	<u>\$ 877,491</u>	<u>\$ 877,491</u>	<u>\$ 738,807</u>	<u>\$ (138,684)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
AS OF DECEMBER 31, 2009

	<u>Sewer Operations</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Deposits	\$ 581,696
Total Current Assets	<u>581,696</u>
Noncurrent Assets:	
Machinery and Equipment (Net of Depreciation)	3,579,299
Total Noncurrent Assets	<u>3,579,299</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,160,995</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Due to Other Funds	\$ 760
Accounts Payable	238,237
Current Portion of Noncurrent Liabilities	5,438
Total Current Liabilities	<u>244,435</u>
Noncurrent Liabilities:	
Sewage Revenue Notes Payable	1,874,206
Less: Current Portion of Noncurrent Liabilities	<u>(5,438)</u>
Total Noncurrent Liabilities	<u>1,868,768</u>
<b>Total Liabilities</b>	2,113,203
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	1,705,093
Unrestricted	<u>342,699</u>
Total Net Assets	<u>2,047,792</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,160,995</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2009

	<u>Sewer Operations</u>
Operating Revenues	
Sewage Revenue	<u>\$ 212,700</u>
Total Operating Revenue	212,700
Operating Expenses	
Debt Service - Interest Expense	<u>19,244</u>
Total Operating Expenses	<u>19,244</u>
Operating Income (Loss)	193,456
Non-Operating Revenues (Expenses)	
Operating Subsidies	
State Subsidies	<u>1,650,968</u>
Total Non-Operating Revenue and Expense	<u>1,650,968</u>
Change in Net Assets	1,844,424
Net Assets - Beginning of Year	200,869
Prior Period Adjustment	<u>2,499</u>
Net Assets - End of Year	<u><u>\$ 2,047,792</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2009

	<u>Sewer Operations</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 212,700
Cash Paid for Interest on Long-term Debt	<u>(19,244)</u>
Net Cash Provided (Used) by Operating Activities	193,456
Cash Flows from Noncapital Financing Activities:	
Grants and Subsidies Received for Non-Operating Activities	
State Subsidies	1,650,968
Effect of Prior Period Adjustment	<u>2,499</u>
Net Cash Provided (Used) by Noncapital Financing Activities	1,653,467
Cash Flows from Capital and Related Financing Activities:	
Purchase of Fixed Assets	<u>(3,175,615)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,175,615)</u>
Cash Flows from Investing Activities:	
Principal payments on long-term debt	(5,412)
Proceeds from issuance of long-term debt	<u>1,708,584</u>
Net Cash Provided (Used) by Investing Activities	1,703,172
Net Increase (Decrease) in Cash and Equivalents	374,480
Cash and Equivalents, Beginning of Year	<u>207,216</u>
Cash and Cash Equivalents, End of Year	<u>\$ 581,696</u>
Cash Flows From Operating Activities:	
Operating Income	\$ 193,456
Adjustments to Reconcile Net Income to Net	
Cash Provided by Operating Activities:	
Depreciation and Amortization	
(Increase) Decrease in Due/From to Other Funds	
Total Adjustments	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 193,456</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
 STATEMENT OF NET ASSETS - FIDUCIARY FUNDS  
 AS OF DECEMBER 31, 2009

	Pension Trust Funds
ASSETS	
Current Assets:	
Investments	\$ 477,259
Total Current Assets	477,259
 TOTAL ASSETS	 \$ 477,259
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ _____
Total Current Liabilities	
 NET ASSETS	
Unrestricted	477,259
Total Net Assets	477,259
 TOTAL LIABILITIES AND NET ASSETS	 \$ 477,259

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

UNION TOWNSHIP  
STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS  
AS OF DECEMBER 31, 2009

	<u>Pension Trust Funds</u>
Additions	
Investment Earnings	<u>\$ 105,173</u>
Total Additions	105,173
Deductions	
Other Deductions	<u>252,185</u>
Total Deductions	<u>252,185</u>
Changes in Net Assets	(147,012)
Net Assets-Beginning of Year	<u>624,271</u>
Net Assets-End of Year	<u><u>\$ 477,259</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

# UNION TOWNSHIP

## Notes to the Basic Financial Statements

### Year Ended December 31, 2009

#### Note 1 – Summary of Significant Accounting Policies

The accounting policies of Union Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

##### **A. Reporting Entity**

The Township is a primary government organized within the laws of the Commonwealth of Pennsylvania. The Township is governed by an elected Board of Supervisors. The Township has the power of taxation and the ability to incur long term debt. As such, it is an independent governmental unit.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and 1) the Township is able to significantly influence the programs or services performed or provided by the organization; or 2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt, or the levying of taxes. There are no component units of Union Township.

##### **B. Basis of Presentation**

As discussed in Note 1.E, these financial statements are presented on a cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The Township also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989 to its governmental activities provided they do not conflict with or contradict GASB pronouncements.

Following are the more significant of the Township's accounting policies:

The Township's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

##### **1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Township at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities and business-type activity. Direct expenses are those that are specifically associated with a service program or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Township.

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts that are reported as interfund activity and balances are eliminated.

## **2. Fund Financial Statements**

During the fiscal year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

## **C. Fund Accounting**

The Township uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

### **1. Governmental Funds**

Governmental funds are those through which most governmental functions of the Township are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The General Fund and the Capital Reserve Fund are the Township's major governmental funds.

**General Fund** - The General Fund is the general operating fund of the Township. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Capital Reserve Fund** - The Capital Reserve Fund is used to account for major capital facilities and repairs. The major source of revenues for this fund is derived from transfers from the General Fund.

The other governmental funds of the Township are used to account for other resources. These include the Liquid Fuels Fund, the Street Lighting Fund, and the Escrow Fund. The

Liquid Fuels Fund and the Street Lighting Fund account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Street Light Fund has a deficit fund balance at year end of (\$10,107).

## **2. Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The following are the Township's proprietary funds:

### ***Enterprise Fund***

The Enterprise Fund may be used to account for any activity for which a fee is charged to external users for goods or services.

### ***Sewer Operations***

The Sewer Operations Fund accounts for the financial transactions related to the sewer operations of the Township. This fund is the Township's only enterprise fund and it is reported as a major fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund are sewer usage charges and or grant subsidies. Operating expenses for the Township's enterprise fund include sewer facility repairs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **3. Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are not available to support the Township's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township maintains one pension trust fund.

### ***Trust Fund***

Pension Trust Fund – Police Pension Fund – This is a trust fund established to account for revenues and pension expenditures of the Township's police pension fund. Pension trust funds are accounted for in essentially the same manner as governmental funds.

## **D. Measurement Focus:**

In the government-wide Statement of Net Assets, and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, all governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statement present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

### **E. Basis of Accounting:**

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental activities are presented using a cash basis of accounting. This basis involves the measurement of cash and cash equivalents and changes in cash and cash equivalents resulting from cash receipt and disbursement transactions in the government-wide statements.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Township utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

### **F. Budgets and Budgetary Accounting:**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to December 31, the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

The original budget was passed on December 8, 2008. The Township is permitted to amend the budget during the month of January next following any township election. The control level at which the budget must report is function and object.

The General Fund is the only fund for which a budget is required to be adopted.

At December 31st of each year, appropriations lapse and may not be carried forward.

Encumbrances are utilized to the extent necessary for the Township to maintain proper control over the budget. Open encumbrances at year-end lapse and are reappropriated in the next year's budget.

**G. Cash and Investments:**

The Township is permitted to invest funds consistent with sound business practices in the following types of investments and deposit accounts:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Act 20, a Pennsylvania law enacted in June of 1995, expands the allowable investment vehicles to include certain money market mutual funds rated as "AAA" whose investments are limited to those mentioned in the previous paragraph.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

**Deposits**

Below is a summary of the Township's deposits which are insured by the Federal Depository Insurance Company, and those which are not insured or collateralized in the Township's name, but collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the financial institution to pool collateral for all government deposits and have the collateral held by an approved custodian in the institution's name.

	<u>FDIC</u> <u>Insured</u>	<u>Pooled</u> <u>Collateral</u>	<u>Bank</u> <u>Balance</u>	<u>Carrying</u> <u>Amount</u>
Cash and Deposits	<u>\$ 507,041</u>	<u>\$ 548,002</u>	<u>\$1,055,043</u>	<u>\$ 918,250</u>

**Investments**

The investments of the Township have been categorized to indicate the level of risk assumed by the Township. All investments are either investments, signifying that all are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name; or pooled investment funds which cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

Investments are stated at fair value.

The Township's investments at December 31, 2009 consist of:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Pennsylvania Local Government Investment Trust	\$ 991,358	\$ 991,358
PNC Trust – Police Pension Plan	<u>477,259</u>	<u>477,259</u>
Total	<u>\$ 1,468,617</u>	<u>\$ 1,468,617</u>

The Pennsylvania Local Government Investment Trust is an investment pool. The fair value of the investment pool is the same as the value of the pool shares owned. Although the pool seeks to maintain the net assets value of \$1 per share, there can be no guarantee that the net asset values will not vary for this price. Regulatory oversight resides with the Board of Trustees and Trust Administration. The participants of the trust annually select an independent auditing firm to examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The Trust is not registered with the Securities and Exchange Commission. Contacts with prospective investors relating to the shares of the pool are conducted through the Investment Adviser's wholly owned subsidiary, PFMAM, Inc., member NASD.

#### Note 2 – Property Taxes

Property taxes attach as an enforceable lien on property as of the second Monday in January. Taxes are levied on March 15 and are payable in one installment. The Township bills and collects its own property taxes through a locally elected tax collector. The tax levy for 2009 was based on assessed values on January 1, 2009 of \$34,167,530. The Township tax rate for the year ended December 31, 2009 is 12 mills as levied by the Township.

Taxes may be paid at a 2% discount until May 15, at face until July 15, and at a 10% penalty until the second Monday in January of the following year. At that time, they will be liened with the County, who then are responsible for their collections.

#### Note 3 – Changes in Capital Assets

The Township does not maintain a register of general fixed assets in accordance with generally accepted accounting principles.

#### Note 4 – General Long-Term Debt

Long-term debt is not accounted for in the Township's financial statements due to the use of the cash basis of accounting. The following is a summary of debt transactions of the Township for the year ended December 31, 2009.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, Loans & Leases Payable					
General Obligation Notes	\$ 92,042	\$ -	\$ (21,253)	\$ 70,789	\$ 22,385
	<u>92,042</u>	<u>-</u>	<u>(21,253)</u>	<u>70,789</u>	<u>22,385</u>
Other Liabilities:					
Post Retirement Benefits &					
Compensated Absences	20,528	128	(253)	20,403	
Total other Liabilities	<u>20,528</u>	<u>128</u>	<u>(253)</u>	<u>20,403</u>	<u>-</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 112,570</u>	<u>\$ 128</u>	<u>\$ (21,506)</u>	<u>\$ 91,192</u>	<u>\$ 22,385</u>

The amounts above include a liability for unused employee sick days upon retirement. Per employment contracts, accumulated sick days will be paid at 80%-100% of the employee base salary up to a maximum of one hundred twenty (120) days.

The Township entered into a general term loan note with National City Bank. The note consists of an interest rate of 5.25% and calls for four consecutive annual payments of \$26,153 beginning November 2009 and ending November 2012. The amount necessary to satisfy this note payable is \$70,789 as of December 31, 2009.

The amount needed to amortize all notes payable outstanding as of December 31, 2009 is as follows:

	Principal	Interest	Total
2010	\$ 22,385	\$ 3,768	\$ 26,153
2011	23,576	2,577	26,153
2012	<u>24,828</u>	<u>1,325</u>	<u>26,153</u>
	<u>\$ 70,789</u>	<u>\$ 7,670</u>	<u>\$ 78,459</u>

The following is a summary of note transactions of the Sewer Fund for the year ended December 31, 2009:

	Pennvest Note #22630	Pennvest Note #75206	First Commonwealth Bank Loan	Total
Balance 1-1-09	\$ 171,034	\$ -	\$ -	\$ 171,034
Issued		1,333,584	375,000	1,708,584
Retired	<u>(5,412)</u>			<u>(5,412)</u>
Balance 12-31-09	<u>\$ 165,622</u>	<u>\$ 1,333,584</u>	<u>\$ 375,000</u>	<u>\$ 1,874,206</u>

The First Commonwealth Bank Loan is an interim financing loan and has an original principal balance of \$375,000, with interest at the rate of 2.30%. This note currently consists of interest only payments and will be repaid upon completion of the sewer project.

The PennVest Note #75206 has been issued totaling \$1,333,584. This note will consist of an interest rate of 1.0% with 360 consecutive monthly payments. The amortization schedule for this loan has not been prepared as the Township is continuing to make draws on this balance.

The PennVest Note #22630 payable is a loan in which the proceeds are being used to cover engineering costs related to the Elrama Sewerage Project. The note consists of an interest rate of 1.020% and calls for 331 consecutive monthly payments of \$591.47 beginning January 2009 and ending July 2036. The amount necessary to satisfy this note payable is \$165,622 as of December 31, 2009.

The amount needed to amortize the Sewer Fund Notes Payable (PennVest Note #22630 only) outstanding as of December 31, 2009 is as follows:

	Principal	Interest	Total
2010	\$ 5,438	\$ 1,660	\$ 7,098
2011	5,494	1,604	7,098
2012	5,550	1,548	7,098
2013	5,607	1,491	7,098
2014	5,664	1,433	7,097
2015-2019	29,204	6,283	35,487
2020-2024	30,732	4,756	35,488
2025-2029	32,339	3,148	35,487
2030-2034	34,030	1,457	35,487
2035-2036	11,564	96	11,660
Total	<u>\$ 165,622</u>	<u>\$ 23,476</u>	<u>\$ 189,098</u>

## Note 5 – Pension Plans

### Agent Single-Employer Defined Benefit Pension Plan Disclosure

The Township maintains one pension fund covering the police department. The Combined Balance Sheet for the Pension Trust Fund includes year 2009 net assets held in trust for pension benefits of \$477,259.

Plan Description. The Union Township Police Pension Plan (UTPPP) is a single employer defined benefit pension plan administered by the Pennsylvania Municipal Retirement System (PMRS). UTPPP provides retirement, disability, and death benefits to plan members and beneficiaries. Cost of living adjustments are provided at the discretion of the Union Township Supervisors. The Plan was established under authority of the Union Township Supervisors and is subject to funding and reporting requirements of Commonwealth Act 205 of 1984 and Act 600. A separate financial report is issued by the Plan through the Plan actuary. That report may be obtained by writing to Pennsylvania Municipal Retirement System, P.O. Box 1165, Harrisburg, Pennsylvania 17108-1165 or by calling 800-622-7968.

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Union Township Board of Supervisors. Plan members are not required to contribute to the Plan. The Commonwealth of Pennsylvania provides an allocation of funds that must be used for police pension funding. Any excess of this funding may be used to fund other plans of the Township.

Annual Pension Costs. For 2009, the Township's annual pension cost of \$-0- for the UTPPP was equal to the Township's required and actual contributions. The required contribution was determined as part of the January 1, 2007 actuarial valuation using the entry age normal actuarial cost method.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	\$ 27,176	100.0%	\$-0-
12/31/06	\$ -0-	100.0%	\$-0-
12/31/07	\$ -0-	100.0%	\$-0-
12/31/08	\$ -0-	100.0%	\$-0-
12/31/09	\$ -0-	100.0%	\$-0-

Required Supplementary Information

Schedule of Funding Progress for UTPPP – (Most recent available information)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability AAL – Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Covered Payroll	UAAL as percentage of Covered Payroll ((b-a)/c)
<u>1/1/2005</u>	<u>\$1,531,526</u>	<u>\$ 872,192</u>	<u>\$(659,334)</u>	<u>\$413,420</u>	<u>(159.5)%</u>

Summary financial information as of December 31, 2009 follows:

Total Assets	\$ 477,259
Total Liabilities	-0-
Net Assets Held in Trust for Pension Benefits	<u>\$ 477,259</u>
Total Additions	\$ 105,173
Total Expenditures and Other Uses	<u>(252,185)</u>
Change in Net Assets Held in Trust for Pension Benefits	<u>\$ (147,012)</u>

Road Workers Pension Description

The Township Road Workers are employed under the collective bargaining unit of the Teamsters Local No. 205 Road Workers. The contract included a provision for the Township's contribution to the Western Pennsylvania Teamsters and Employers Pension Fund of \$67 per week per full time employee. The weekly contribution is increased each year as stated in the contract. The amount of covered payroll included in the Road Workers

Pension Plan was \$164,564 during 2009. The employer contributed \$13,936 to the Plan during 2009.

Note 6 – Compensated Absences & Other Post-Employment Benefits

The Township has made retirement benefits available to certain employees. The benefit is (1) payment for unused sick days at retirement. Since the dollar amount shown here is for employees who are eligible to retire at December 31, 2009, the total amount due would be considered long term because none of the employees had declared their retirement at December 31, 2009. With respect to other employees that do not meet the criteria established by the Township for retirement, these employees are not eligible to receive payment for their unused sick days at retirement. The General Fund has been used to accumulate funds to provide for the payment of these liabilities. The dollar amounts of the benefits are as follows:

	<u>Sick Day Liability</u>	<u>Total</u>
December 31, 2008 Balance	\$ 20,528	\$ 20,528
Increases	128	128
Decreases	<u>(253)</u>	<u>(253)</u>
December 31, 2009 Balance	<u>\$ 20,403</u>	<u>\$ 20,403</u>

Note 7 - Contingent Liabilities

Union Township participates in grant programs sponsored by other governments. The programs are subject to program compliance audits by the grantor agencies or their representatives. The audits of some of these programs for and including the year ended December 31, 2009 have not yet been conducted. Accordingly, the Township's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time although the Township expects such amounts to be immaterial.

Note 8 – Interfund Balances

Individual fund interfund receivable and payable balances at December 31, 2009 were:

<u>Interfund Receivable</u>	<u>Amount</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	\$ 14,254	Street Lighting Fund	\$ 13,494
		Sewer Fund	<u>760</u>
	<u>\$ 14,254</u>		<u>\$ 14,254</u>

During the year ended December 31, 2009, the following fund level transfer was made:

<u>Expending Fund</u>	<u>Amount</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Fund	\$ 425,000	General Fund	\$ 25,000
Capital Reserve Fund	25,000	Capital Reserve Fund	425,000
	<hr/>		<hr/>
	<u>\$ 450,000</u>		<u>\$ 450,000</u>

Note 9 – Risk Management and Litigation

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages most risk through the general fund with the purchase of commercial insurance coverage.

The Township estimates that the amount of actual or potential claims against the Township as of December 31, 2009 will not materially affect the financial condition of the Township and will be covered under the present insurance coverage.

Note 10 – Prior Period Adjustment

A prior period adjustment in the amount of \$2,499 was made in the sewer operations funds to capitalize costs that were expensed in the previous year.

UNION TOWNSHIP  
 COMBINING BALANCE SHEET - CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 AS OF DECEMBER 31, 2009

	<u>Street Lighting Fund</u>	<u>Liquid Fuels Fund</u>	<u>Escrow Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 3,387	\$	\$ 15,387	\$ 18,774
Investments		19,244	15,416	34,660
<b>TOTAL ASSETS</b>	<u>\$ 3,387</u>	<u>\$ 19,244</u>	<u>\$ 30,803</u>	<u>\$ 53,434</u>
 <b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Interfund Payable	\$ 13,494	\$	\$	\$ 13,494
Deposits			30,803	30,803
<b>Total Liabilities</b>	<u>13,494</u>		<u>30,803</u>	<u>44,297</u>
 <b>Fund Equity</b>				
<b>Fund Balances</b>				
Reserved for Street Lighting	(10,107)			(10,107)
Reserved for Highways		19,244		19,244
<b>Total Fund Equity</b>	<u>(10,107)</u>	<u>19,244</u>		<u>9,137</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 3,387</u>	<u>\$ 19,244</u>	<u>\$ 30,803</u>	<u>\$ 53,434</u>

UNION TOWNSHIP  
 COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
 AND CHANGES IN CASH BASIS NET ASSETS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2009

	<u>Street Lighting Fund</u>	<u>Liquid Fuels Fund</u>	<u>Escrow Fund</u>	<u>Total</u>
<b>Revenues and Other Financing Sources</b>				
Revenues				
Interest and Rents	\$	\$ 334	\$	\$ 334
Intergovernmental Revenues		147,891		147,891
Miscellaneous	<u>8,941</u>			<u>8,941</u>
Total Revenues and Other Financing Sources	8,941	148,225		157,166
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Current Operating				
General Government	223			223
Highways and Streets	<u>14,112</u>	<u>129,891</u>		<u>144,003</u>
Total Expenditures	<u>14,335</u>	<u>129,891</u>		<u>144,226</u>
Revenues Over (Under) Expenditures	(5,394)	18,334		12,940
Other Financing Sources (Uses)				
Interfund Transfers (Out)				
Total Expenditures and Other Financing Uses				
Revenues and Other Financing Sources over(under) Expenditures and Other Financing Uses	(5,394)	18,334		12,940
Fund Balance - January 1, 2009	<u>(4,713)</u>	<u>910</u>		<u>(3,803)</u>
Fund Balance - December 31, 2009	<u>\$ (10,107)</u>	<u>\$ 19,244</u>	<u>\$</u>	<u>\$ 9,137</u>