

**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, 2003 to December 31, 2005



**FILED**  
12/11/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Loren R. Geyer	01-01-03 to 12-31-06
Chairman of the Township Board	Christine K. Rowe	01-01-03 to 12-31-06



**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 schedules of receipts, disbursements, and cash and investment balances of Union Township, for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 7, 2006

UNION TOWNSHIP, ST. JOSEPH COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 229,944	\$ 89,856	\$ 69,899	\$ 249,901
Dog	717	394	417	694
Township Assistance	24,782	4,492	2,905	26,369
Firefighting	59,772	94,468	47,458	106,782
Levy Excess	6,909	775	6,909	775
Fire Equipment Debt	69,681	6,907	9,722	66,866
Cumulative Fire	34,530	25,951	24,320	36,161
Totals	<u>\$ 426,335</u>	<u>\$ 222,843</u>	<u>\$ 161,630</u>	<u>\$ 487,548</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 249,901	\$ 76,435	\$ 79,719	\$ 246,617
Dog	694	417	394	717
Township Assistance	26,369	3,306	5,243	24,432
Firefighting	106,782	75,152	89,674	92,260
Levy Excess	775	-	775	-
Fire Equipment Debt	66,866	44,103	-	110,969
Rainy Day	-	3,259	-	3,259
Cumulative Fire	36,161	17,757	23,237	30,681
Totals	<u>\$ 487,548</u>	<u>\$ 220,429</u>	<u>\$ 199,042</u>	<u>\$ 508,935</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 246,617	\$ 117,924	\$ 217,385	\$ 147,156
Dog	717	465	417	765
Township Assistance	24,432	5,847	5,203	25,076
Firefighting	92,260	106,151	77,224	121,187
Homeland Security Grant	-	109,800	109,800	-
Levy Excess	-	270	-	270
Fire Equipment Debt	110,969	25,517	91,182	45,304
Rainy Day	3,259	-	-	3,259
Cumulative Fire	30,681	31,079	30,871	30,889
Totals	<u>\$ 508,935</u>	<u>\$ 397,053</u>	<u>\$ 532,082</u>	<u>\$ 373,906</u>

The accompanying notes are an integral part of the schedules.

UNION TOWNSHIP, ST. JOSEPH COUNTY  
NOTES TO SCHEDULES

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, 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. 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.

UNION TOWNSHIP, ST. JOSEPH COUNTY  
NOTES TO SCHEDULES  
(Continued)

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. Long-Term Debt

The Township has entered into a capital lease for a fire truck. The outstanding principal at December 31, 2005, was \$11,518. This debt instrument matures in 2006.

Note 7. Subsequent Events

On January 12, 2006, the Union Township Volunteer Fire department combined with the Lakeville Fire Department to create the Union-Lakeville Fire Territory. Consequently, Union Township declared the Firefighting Fund and the Cumulative Fire Fund dormant and transferred the balance of the funds to the Union-Lakeville Fire Territory.

UNION TOWNSHIP, ST. JOSEPH COUNTY  
EXAMINATION RESULTS AND COMMENTS

COMPENSATION

The Trustee and the Clerk received compensation in excess of the amounts listed on the Form 17, Resolution Recommending Salaries of Township Officers and Employees, for the years 2003, 2004, and 2005. The excess amounts received represent the Social Security and Medicare taxes withheld from the individuals' gross wages each year. The Trustee received \$1,752.24 and the Clerk received \$994.38 in excess compensation. The Trustee and the Clerk repaid these excess amounts of compensation on October 30, 2006. (See Summary, page 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with State and Federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

PAYROLL REPORTING TO THE INTERNAL REVENUE SERVICE

Forms W-2, Wage and Tax Statement, W-3, Transmittal of Wage and Tax Statements, and Form 941, Employer's Quarterly Federal Tax Return were not properly completed for 2003, 2004, and 2005.

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 have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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, ST. JOSEPH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2006, with Loren R. Geyer, Trustee.

UNION TOWNSHIP, ST. JOSEPH COUNTY  
EXIT CONFERENCE

	Charges	Credits	Balance Due
Loren R. Geyer, Trustee:			
Compensation, page 7	\$ 1,725.24	\$	\$
Deposited on October 30, 2006		1,725.24	-
 Phyllis Geyer, Clerk:			
Compensation, page 7	994.38		
Deposited on October 30, 2006		994.38	-
 Totals	\$ 2,719.62	\$ 2,719.62	\$ -