

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

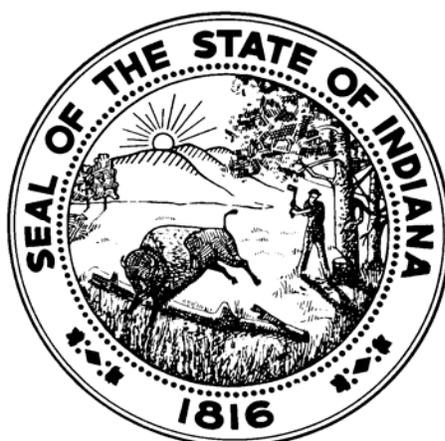
EXAMINATION REPORT

OF

STONEY CREEK TOWNSHIP

HENRY COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

10/02/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Michael C. Lykens	01-01-03 to 12-31-06
Chairman of the Township Board	Wendell Carmichael	01-01-04 to 12-31-04
	Thomas Glaser	01-01-05 to 12-31-05
	Richard Glaser	01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF STONEY CREEK TOWNSHIP, HENRY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Stoney Creek Township (Township), for the period of January 1, 2004 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, 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

September 18, 2006

STONEY CREEK TOWNSHIP, HENRY 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 14,397	\$ 11,585	\$ 9,655	\$ 16,327
Dog	141	52	-	193
Township Assistance	8,139	1,914	3,076	6,977
Firefighting	30,293	32,841	29,205	33,929
Park and Recreation	15,547	1,697	500	16,744
Cumulative Fire	16,450	22,783	14,558	24,675
Fiduciary Fund:				
Payroll Withholdings	-	436	-	436
Totals	<u>\$ 84,967</u>	<u>\$ 71,308</u>	<u>\$ 56,994</u>	<u>\$ 99,281</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 16,327	\$ 6,813	\$ 9,367	\$ 13,773
Dog	193	34	227	-
Township Assistance	6,977	-	1,372	5,605
Firefighting	33,929	25,483	31,855	27,557
Park and Recreation	16,744	1,388	888	17,244
Cumulative Fire	24,675	5,950	2,259	28,366
Fiduciary Fund:				
Payroll Withholdings	436	437	-	873
Totals	<u>\$ 99,281</u>	<u>\$ 40,105</u>	<u>\$ 45,968</u>	<u>\$ 93,418</u>

The accompanying notes are an integral part of the schedules.

STONEY CREEK TOWNSHIP, HENRY 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, 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. 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.

STONEY CREEK TOWNSHIP, HENRY 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. Restatements and Reclassifications

For the year ended December 31, 2003, certain changes have been made to the financial statements to more appropriately reflect financial activity of the primary government. The following schedule presents a summary of restated beginning balances by fund type. Prior period adjustments represent changes in the prior examination report's ending balances that were never made on the unit's records.

Fund	Balance as Reported December 31, 2003	Prior Period Adjustments	Balance as Restated January 1, 2004
General	\$ 20,497	\$ (6,100)	\$ 14,397
Dog	171	(30)	141
Township Assistance	8,794	(655)	8,139
Firefighting	28,275	2,018	30,293
Park and Recreation	9,474	6,073	15,547
Cumulative Fire	17,385	(935)	16,450
Levy Excess	371	(371)	-
Totals	<u>\$ 84,967</u>	<u>\$ -</u>	<u>\$ 84,967</u>

STONE CREEK TOWNSHIP, HENRY COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

No annual report for either the 2004 year or the 2005 year was presented for examination.

The Township Trustee's Report of Receipts and Disbursements for the Calendar Year is an abstract report of receipts and disbursements for the calendar year. The annual report shall be prepared, verified, and filed with the State Board of Accounts within thirty days after the close of each fiscal year. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not comply with directives of the Internal Revenue by not remitting payroll taxes in a timely manner. No payroll taxes that were withheld from salary payments for the years 2004 and 2005 were remitted by December 31, 2005.

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. (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)

OFFICIAL BOND

The official bond for Michael C. Lykens, Trustee, was not filed in the Office of the County Recorder:

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

ADVANCE PAYMENTS

Michael C. Lykens, Trustee, was paid \$750 on January 11, 2004, for one-half of 2004 rent and \$750 on September 25, 2004, for the second half of 2004 rent. Michael C. Lykens, Trustee, was paid \$750 on April 20, 2005, for one-half of the 2005 rent and \$750 on September 13, 2005, for the second half of 2005 rent.

STONEY CREEK TOWNSHIP, HENRY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CERTIFIED REPORT

The Township did not file form 100R for the year 2005.

Each township trustee shall, during the month of January of each year, make and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers and employees of the township and the respective duties and compensation of each. The report must be filed in the office of the State Examiner of the State Board of Accounts, Room E418, State Office Building, Indianapolis, Indiana, 46204-2765. Indiana Code 5-11-13-1.

DOG TAX ADMINISTRATIVE FEE

Administrative fees for dog tax were not receipted to the Township Fund.

Indiana Code 15-5-9-1 states in part: "For each individual dog tag or kennel license issued under this chapter, the township assessor (or trustee who collects the fee) shall retain from the fee described in this section, an administrative fee of fifty cents (\$0.50). Administrative fees collected by the assessor shall be deposited in the county general fund, and administrative fees collected by the trustee shall be deposited in the township general fund."

BOARD OF FINANCE

The minutes presented for examination did not contain information related to the annual meeting of the board of finance or the election of officers to the board of finance.

Indiana Code 5-13-7-6(a) states in part: "Each local board of finance shall meet annually after the first Monday and on or before the last day of January. At the annual meeting the board of finance shall . . . Elect, from the board's membership . . . a president; and a secretary . . . The officers elected hold office until the officers' successors are elected and qualified."

STONE CREEK TOWNSHIP, HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2006, with Michael C. Lykens, Trustee. The official concurred with our findings.