

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

EXAMINATION REPORT  
OF  
CLINTON TOWNSHIP  
PUTNAM 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	Brenda G. Heacock	01-01-03 to 12-31-06
Chairman of the Township Board	Donald R. Mundy Sandra O'Hair	01-01-03 to 06-30-05 07-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLINTON TOWNSHIP, PUTNAM COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Clinton Township (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

October 5, 2006

CLINTON TOWNSHIP, PUTNAM 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	\$ 11,278	\$ 1,713	\$ 9,439	\$ 3,552
Dog	869	688	532	1,025
Township Assistance	154	3,299	2,241	1,212
Totals	<u>\$ 12,301</u>	<u>\$ 5,700</u>	<u>\$ 12,212</u>	<u>\$ 5,789</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 3,552	\$ 8,746	\$ 8,248	\$ 4,050
Dog	1,025	320	725	620
Township Assistance	1,212	3,723	2,918	2,017
Rainy Day	-	274	-	274
Totals	<u>\$ 5,789</u>	<u>\$ 13,063</u>	<u>\$ 11,891</u>	<u>\$ 6,961</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 4,050	\$ 7,758	\$ 8,364	\$ 3,444
Dog	620	372	320	672
Township Assistance	2,017	3,006	2,849	2,174
Rainy Day	274	-	-	274
Totals	<u>\$ 6,961</u>	<u>\$ 11,136</u>	<u>\$ 11,533</u>	<u>\$ 6,564</u>

The accompanying notes are an integral part of the schedules.

CLINTON TOWNSHIP, PUTNAM 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: 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.

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.

CLINTON TOWNSHIP, PUTNAM COUNTY  
EXAMINATION RESULTS AND COMMENTS

CERTIFIED REPORT OF COMPENSATION NOT FILED

The Township did not file a Certified Report of Names, Addresses, Duties, and Compensation of Public Employees (Form 100-R) with the State Board of Accounts for the year 2005.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

FUND SOURCES AND USES

General property tax and license excise tax receipts totaling \$2,211.75 designated to be recorded in the General Fund were incorrectly recorded in the Township Assistance Fund on December 31, 2005.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENT DOCUMENTATION

The following deficiencies were noted on the disbursements examined:

1. The Trustee paid sales tax on one invoice.
2. Supporting documentation, agreements or contracts for payments for cemetery care were not presented for audit.
3. Supporting documentation for the payment of a dog claim was not presented for audit.
4. One contractor received payment which was subsequently reimbursed to the Township; the bill for services was not retained for audit.
5. Payments for township assistance were observed; however, the supporting applications (Forms TA-1) were not available for review.

Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CLINTON TOWNSHIP, PUTNAM COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PAYROLL DEDUCTIONS

Wages were paid at the proper rate; however, the payments were made without payroll deductions for taxes. Employees received Miscellaneous Income Statements (Form 1099-Misc) instead of Wage and Earnings Statements (Form W-2). The Township did not report wages on Employer's Quarterly Federal Tax Return (Form 941).

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)

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)

CLINTON TOWNSHIP, PUTNAM COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2006, with Brenda G. Heacock, Trustee. The official concurred with our findings.