

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

EXAMINATION REPORT
OF
CLINTON TOWNSHIP
LAPORTE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED

07/29/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Daniel Satkoski	01-01-03 to 12-31-10
Chairman of the Township Board	Jerard Land	01-01-07 to 12-31-08
	Ed Kresel	01-01-09 to 12-31-09
	Michael Niksch	01-01-10 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Clinton Township (Township), for the period of January 1, 2007 to December 31, 2009. The Township'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, 2007, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 13, 2010

CLINTON TOWNSHIP, LAPORTE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 24,137	\$ 13,278	\$ 16,661	\$ 20,754
Dog	712	-	712	-
Township Assistance	18,063	-	331	17,732
Firefighting	27,982	50,066	40,480	37,568
Riverboat	51,516	9,557	-	61,073
Levy Excess	1,452	-	-	1,452
Fire Debt	895	-	-	895
Totals	<u>\$ 124,757</u>	<u>\$ 72,901</u>	<u>\$ 58,184</u>	<u>\$ 139,474</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 20,754	\$ 20,729	\$ 15,297	\$ 26,186
Township Assistance	17,732	-	228	17,504
Firefighting	37,568	49,259	41,940	44,887
Riverboat	61,073	12,849	-	73,922
Levy Excess	1,452	-	-	1,452
Fire Debt	895	-	-	895
Totals	<u>\$ 139,474</u>	<u>\$ 82,837</u>	<u>\$ 57,465</u>	<u>\$ 164,846</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 26,186	\$ 17,256	\$ 17,706	\$ 25,736
Township Assistance	17,504	-	409	17,095
Firefighting	44,887	53,851	43,428	55,310
Riverboat	73,922	10,197	-	84,119
Levy Excess	1,452	-	-	1,452
Fire Debt	895	-	-	895
Totals	<u>\$ 164,846</u>	<u>\$ 81,304</u>	<u>\$ 61,543</u>	<u>\$ 184,607</u>

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

CLINTON TOWNSHIP, LAPORTE 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 received 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

CLINTON TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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. Subsequent Event

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the City. It is undeterminable how much property tax collections the City will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for 2009 were due January 29, 2010. The Township received their distribution on February 11, 2010.

CLINTON TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS

TOWNSHIP TRUSTEE'S REPORT OF RECEIPTS AND DISBURSEMENTS FOR THE CALENDAR
YEAR (Form 15 - Annual Report)

Annual reports of the financial activity of the Township for the years 2007, 2008, and 2009 were not presented for examination, nor were annual reports filed with the State Board of Accounts or the County Auditor.

Effective July 1, 2009, IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

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)

BOARD MINUTES

Minutes of meetings of the governing body for the years 2007, 2008 and 2009 were not presented for examination.

IC 5-14-1.5-4(b) states: "As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

The township board shall meet annually on or before the first Tuesday after the first Monday in January at the office of the township trustee. The board shall meet and organize annually on the above date by electing one of its members chairman and one of its members secretary for that year. Any two members shall constitute a quorum. [IC 36-6-6-4]; [IC 36-6-6-7] (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 5)

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

OFFICIAL BOND

The Trustees official bond for the years 2008, 2009 and 2010 were not filed in the Office of the 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 . . . 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) . . ."

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 . . ."

RECEIPT ISSUANCE

The Township Trustee does not have a duplicate receipt book, and does not issue receipts for all funds collected. A similar comment appeared in prior report.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

EMPLOYEE EARNINGS – INTERNAL REVENUE SERVICE REPORTING (IRS)

W-2 and 1099 Forms were not issued to the Township Trustee or the Township Clerk for the years 2007, 2008 and 2009. A similar comment appeared in the prior report.

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)

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)

DONATIONS

A donation was made in August of 2007, to the South Central Jr. Sr. High School Athletic Department for \$2,000 for weight equipment. A donation was made in August of 2009, to the South Central Athletic Improvement Committee for \$1,667 for sponsoring athletic improvements.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CLINTON TOWNSHIP, LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed via certified letter on May 13, 2010, with Dan Satkoski, Trustee.