

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

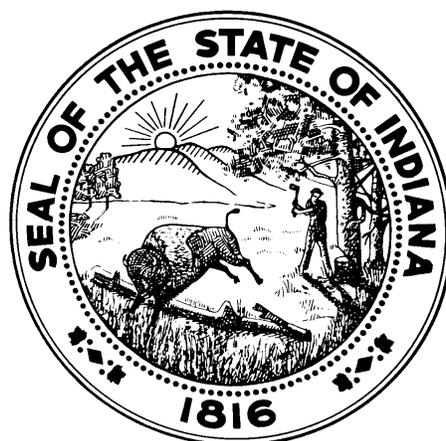
EXAMINATION REPORT

OF

CLAY TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**

11/24/2008



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OFFICIALS

Office

Official

Term

Trustee

Rebecca Cool

01-01-03 to 12-31-10

Chairman of the  
Township Board

Louis Artman

01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLAY TOWNSHIP, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of Clay Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 25, 2008

CLAY TOWNSHIP, WAYNE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 42,057	\$ 15,118	\$ 14,510	\$ 42,665
Dog	560	64	260	364
Township Assistance	14,066	6,861	5,006	15,921
Firefighting	18,107	50,813	50,642	18,278
Recreation	5,006	557	1,701	3,862
Rainy Day	1,406	-	-	1,406
Levy Excess	1,561	223	1,561	223
Fire Debt	9,966	-	9,966	-
Cumulative Fire	12,294	15,911	32	28,173
Totals	<u>\$ 105,023</u>	<u>\$ 89,547</u>	<u>\$ 83,678</u>	<u>\$ 110,892</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 42,665	\$ 12,951	\$ 15,229	\$ 40,387
Dog	364	-	364	-
Township Assistance	15,921	256	5,676	10,501
Firefighting	18,278	14,467	42,087	(9,342)
Recreation	3,862	50	1,647	2,265
Rainy Day	1,406	-	-	1,406
Levy Excess	223	-	-	223
Cumulative Fire	28,173	30	-	28,203
Totals	<u>\$ 110,892</u>	<u>\$ 27,754</u>	<u>\$ 65,003</u>	<u>\$ 73,643</u>

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

CLAY TOWNSHIP, WAYNE 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 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.

CLAY TOWNSHIP, WAYNE COUNTY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$20 were paid to the Internal Revenue Service on July 26, 2006, for the payroll period ending March 31, 2006.

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)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "on or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

FORM 100-R

Form 100-R was not filed for the year 2006.

Each year during the month of January each township trustee must complete a Certified Report of Names, Addresses, Duties and Compensation of Public Employees Form 100R and send the same properly certified to the State Examiner of the State Board of Accounts. Accounting and Uniform Compliance Guidelines for Townships (Chapter 2)

OVERDRAWN FUND BALANCES

The Firefighting Fund was overdrawn by \$9,342 in 2007.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CLAY TOWNSHIP, WAYNE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Becky Cool, Township Trustee for 2007 and 2008

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 . . ."

PUBLIC RECORDS RETENTION

Not all claims for disbursements made were presented for examination. Additionally, the first quarter 2007 Form 941 was not retained for examination.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

CLAY TOWNSHIP, WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2008, with Rebecca Cool, Trustee. The official concurred with our findings.