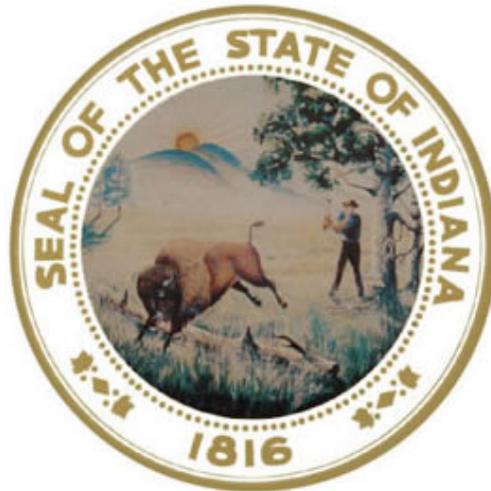


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
CLAY TOWNSHIP
LAGRANGE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/23/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Result and Comment:	
Condition of Records	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	William F. Connelly	01-01-07 to 12-31-10
Chairman of the Township Board	Bernard J. Hoffman	01-10-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Clay 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

April 6, 2010

CLAY TOWNSHIP, LAGRANGE 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	\$ 36,024	\$ 56,271	\$ 57,175	\$ 35,120
Township Assistance	16,698	11,528	16,726	11,500
Firefighting	71,960	19,886	12,411	79,435
Levy Excess	425	-	425	-
Cumulative Fire	69,878	26,083	-	95,961
	<u>194,985</u>	<u>113,768</u>	<u>86,737</u>	<u>222,016</u>
Totals	<u>\$ 194,985</u>	<u>\$ 113,768</u>	<u>\$ 86,737</u>	<u>\$ 222,016</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 35,120	\$ 50,099	\$ 63,177	\$ 22,042
Township Assistance	11,500	9,500	17,051	3,949
Firefighting	79,435	16,024	17,168	78,291
Rainy Day	-	3,860	-	3,860
Cumulative Fire	95,961	21,881	44,352	73,490
	<u>222,016</u>	<u>101,364</u>	<u>141,748</u>	<u>181,632</u>
Totals	<u>\$ 222,016</u>	<u>\$ 101,364</u>	<u>\$ 141,748</u>	<u>\$ 181,632</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 22,042	\$ 57,846	\$ 63,321	\$ 16,567
Township Assistance	3,949	22,946	20,478	6,417
Firefighting	78,291	32,767	28,182	82,876
Rainy Day	3,860	688	2,000	2,548
Cumulative Fire	73,490	36,946	-	110,436
	<u>181,632</u>	<u>151,193</u>	<u>113,981</u>	<u>218,844</u>
Totals	<u>\$ 181,632</u>	<u>\$ 151,193</u>	<u>\$ 113,981</u>	<u>\$ 218,844</u>

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

CLAY TOWNSHIP, LAGRANGE 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. 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.

CLAY TOWNSHIP, LAGRANGE COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The fund balances in the ledger did not always agree with the annual reports filed by the Township. The bank reconciliation did not agree with the sum of all fund balances in the ledger or on the annual reports. A similar comment appeared in prior Report B31125.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (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)

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)

CLAY TOWNSHIP, LAGRANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 6, 2010, with William F. Connelly, Trustee.
The official concurred with our finding.