

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

EXAMINATION REPORT
OF
CLAY TOWNSHIP
DECATUR COUNTY, INDIANA
January 1, 2002 to December 31, 2005



FILED
7/10/06

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Exit Conference.....	6

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	David Israel	01-01-99 to 12-31-06
Chairman of the Township Board	Dennis Fogle Kenneth Stagge	01-01-02 to 12-31-02 01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Clay Township (Township), for the period of January 1, 2002 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, 2002, 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

June 7, 2006

CLAY TOWNSHIP, DECATUR COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 54,542	\$ 31,675	\$ 26,682	\$ 59,535
Dog	414	158	114	458
Township Assistance	9,329	5,027	3,509	10,847
Firefighting	5,867	26,835	21,000	11,702
Totals	<u>\$ 70,152</u>	<u>\$ 63,695</u>	<u>\$ 51,305</u>	<u>\$ 82,542</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 59,535	\$ 17,251	\$ 33,402	\$ 43,384
Dog	458	156	358	256
Township Assistance	10,847	210	3,500	7,557
Firefighting	11,702	730	22,000	(9,568)
Totals	<u>\$ 82,542</u>	<u>\$ 18,347</u>	<u>\$ 59,260</u>	<u>\$ 41,629</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 43,384	\$ 35,669	\$ 29,893	\$ 49,160
Dog	256	125	-	381
Township Assistance	7,557	9,004	5,776	10,785
Firefighting	(9,568)	43,304	23,000	10,736
Totals	<u>\$ 41,629</u>	<u>\$ 88,102</u>	<u>\$ 58,669</u>	<u>\$ 71,062</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 49,160	\$ 41,055	\$ 30,387	\$ 59,828
Dog	381	68	81	368
Township Assistance	10,785	7,699	5,063	13,421
Firefighting	10,736	42,251	22,000	30,987
Totals	<u>\$ 71,062</u>	<u>\$ 91,073</u>	<u>\$ 57,531</u>	<u>\$ 104,604</u>

The accompanying notes are an integral part of the schedules.

CLAY TOWNSHIP, DECATUR 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, 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. Some scheduled property tax distributions were delayed due to reassessment. This resulted in deficit spending of some funds.

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, DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 7, 2006, with David Israel, Trustee. Our examination disclosed no material items that warrant comment at this time.