

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

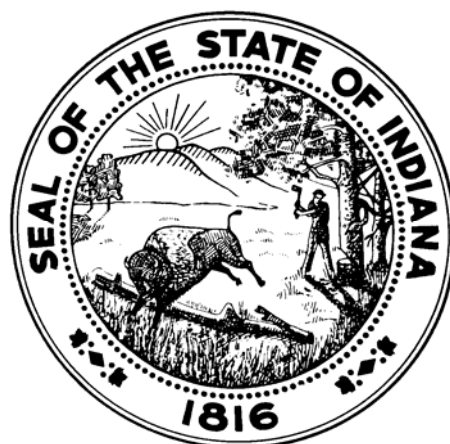
EXAMINATION REPORT

OF

CLAY TOWNSHIP

MIAMI COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
7/20/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gary D. Payne Karen S. LeMaster	01-01-03 to 03-01-04 03-02-04 to 12-31-06
Chairman of the Township Board	Noel Finster Dewey Childers Noel Finster Dewey Childers	01-01-03 to 12-31-03 01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLAY TOWNSHIP, MIAMI 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, 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

April 17, 2006

CLAY TOWNSHIP, MIAMI 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	\$ 11,420	\$ 8,836	\$ 9,031	\$ 11,225
Dog	435	138	152	421
Township Assistance	1,108	3,016	746	3,378
Firefighting	12,469	14,188	8,650	18,007
Totals	<u>\$ 25,432</u>	<u>\$ 26,178</u>	<u>\$ 18,579</u>	<u>\$ 33,031</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 11,225	\$ 6,898	\$ 8,966	\$ 9,157
Dog	421	166	149	438
Township Assistance	3,378	2,806	940	5,244
Firefighting	18,007	10,048	8,820	19,235
Totals	<u>\$ 33,031</u>	<u>\$ 19,918</u>	<u>\$ 18,875</u>	<u>\$ 34,074</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 9,157	\$ 8,241	\$ 10,501	\$ 6,897
Dog	438	190	167	461
Township Assistance	5,244	1,620	1,214	5,650
Firefighting	19,235	11,742	10,358	20,619
Levy Excess	-	589	-	589
Totals	<u>\$ 34,074</u>	<u>\$ 22,382</u>	<u>\$ 22,240</u>	<u>\$ 34,216</u>

The accompanying notes are an integral part of the schedules.

CLAY TOWNSHIP, MIAMI 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, 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, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYMENTS FOR CEMETERY CARE

Supporting documentation agreements or contracts for payments for cemetery care were not presented for audit.

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 employees. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township paid \$600 or more for Cemetery Care in 2003, 2004, and 2005. No Federal Form 1099's were issued for these payments as required by the Internal Revenue Service.

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)

CLAY TOWNSHIP, MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 17, 2006, with Karen S. LeMaster, Trustee. The official concurred with our findings.