

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

EXAMINATION REPORT
OF
FOREST TOWNSHIP
CLINTON COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/28/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Matthew McQuinn	01-01-02 to 12-31-06
Chairman of the Township Board	Mike Tate	01-01-03 to 12-31-03
	Brett Sauer	01-01-04 to 12-31-04
	Mike Tate	01-01-05 to 12-31-05
	Brett Sauer	01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Forest 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

June 14, 2006

FOREST TOWNSHIP, CLINTON COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 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	\$ 29,623	\$ 13,642	\$ 20,104	\$ 23,161
Dog	407	132	107	432
Township Assistance	12,709	565	1,045	12,229
Firefighting	30,791	19,575	28,179	22,187
Park and Recreation	4,487	1,041	500	5,028
Levy Excess	215	-	215	-
Cumulative Fire	15,166	442	-	15,608
Totals	<u>\$ 93,398</u>	<u>\$ 35,397</u>	<u>\$ 50,150</u>	<u>\$ 78,645</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 23,161	\$ 33,837	\$ 19,186	\$ 37,812
Dog	432	126	132	426
Township Assistance	12,229	2,148	1,134	13,243
Firefighting	22,187	56,762	34,787	44,162
Park and Recreation	5,028	4,686	393	9,321
Rainy Day	-	2,225	-	2,225
Cumulative Fire	15,608	688	-	16,296
Totals	<u>\$ 78,645</u>	<u>\$ 100,472</u>	<u>\$ 55,632</u>	<u>\$ 123,485</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 37,812	\$ 26,062	\$ 19,729	\$ 44,145
Dog	426	126	126	426
Township Assistance	13,243	1,906	661	14,488
Firefighting	44,162	39,181	36,422	46,921
Park and Recreation	9,321	1,923	-	11,244
Rainy Day	2,225	-	-	2,225
Cumulative Fire	16,296	9,948	-	26,244
Totals	<u>\$ 123,485</u>	<u>\$ 79,146</u>	<u>\$ 56,938</u>	<u>\$ 145,693</u>

The accompanying notes are an integral part of the schedules.

FOREST TOWNSHIP, CLINTON 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.

FOREST TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder for the years 2004, 2005 or 2006:

Matthew McQuinn, Township Trustee

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 . . ."

INTEREST ON INVESTMENTS

Interest earned on investments in some instances was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

INVESTMENT MATURITY LIMITATIONS

The Township purchased a certificate of deposit, which had a stated maturity in excess of two years.

Indiana Code 5-13-9-5.6 states in part: ". . . investments made under this chapter must have a stated final maturity of not more than . . . (3) two (2) years . . . after the date of purchase or entry into a repurchase agreement."

FOREST TOWNSHIP, CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2006, with Matthew McQuinn, Trustee. The official concurred with our findings.