

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

EXAMINATION REPORT
OF
CLAY TOWNSHIP
MORGAN COUNTY, INDIANA
January 1, 1999 to December 31, 2005



FILED
08/29/2006

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OFFICIALS

Office

Official

Term

Trustee

Bill Plumber

01-01-99 to 12-31-06

Chairman of the
Township Board

Ann Holder
Bill Mitchell

01-01-99 to 12-31-00
01-01-01 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLAY TOWNSHIP, MORGAN 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, 1999 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, 1999, 2000, 2001, 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 19, 2006

CLAY TOWNSHIP, MORGAN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 1999, 2000, 2001, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-99	Receipts	Disbursements	Cash and Investments 12-31-99
Governmental Funds:				
General	\$ 21,959	\$ 20,912	\$ 24,980	\$ 17,891
Dog	940	362	690	612
Township Assistance	11,869	-	-	11,869
Firefighting	11,515	54,282	47,250	18,547
Cumulative Fire	7,727	21,844	307	29,264
Levy Excess	31	-	-	31
Totals	<u>\$ 54,041</u>	<u>\$ 97,400</u>	<u>\$ 73,227</u>	<u>\$ 78,214</u>

	Cash and Investments 01-01-00	Receipts	Disbursements	Cash and Investments 12-31-00
Governmental Funds:				
General	\$ 17,891	\$ 23,294	\$ 28,251	\$ 12,934
Dog	612	316	312	616
Township Assistance	11,869	-	898	10,971
Firefighting	18,547	44,269	55,500	7,316
Cumulative Fire	29,264	22,590	17,972	33,882
Levy Excess	31	-	31	-
Totals	<u>\$ 78,214</u>	<u>\$ 90,469</u>	<u>\$ 102,964</u>	<u>\$ 65,719</u>

	Cash and Investments 01-01-01	Receipts	Disbursements	Cash and Investments 12-31-01
Governmental Funds:				
General	\$ 12,934	\$ 37,588	\$ 31,710	\$ 18,812
Dog	616	406	316	706
Township Assistance	10,971	-	2,255	8,716
Firefighting	7,316	46,033	53,000	349
Cumulative Fire	33,882	23,079	30,431	26,530
Totals	<u>\$ 65,719</u>	<u>\$ 107,106</u>	<u>\$ 117,712</u>	<u>\$ 55,113</u>

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 18,812	\$ 37,172	\$ 36,211	\$ 19,773
Dog	706	330	406	630
Township Assistance	8,716	1,267	3,247	6,736
Firefighting	349	85,189	50,000	35,538
Cumulative Fire	26,530	24,408	14,368	36,570
Totals	<u>\$ 55,113</u>	<u>\$ 148,366</u>	<u>\$ 104,232</u>	<u>\$ 99,247</u>

The accompanying notes are an integral part of the schedules.

CLAY TOWNSHIP, MORGAN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 1999, 2000, 2001, 2002, 2003, 2004, And 2005
(Continued)

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 19,773	\$ 64,761	\$ 48,021	\$ 36,513
Dog	630	248	331	547
Township Assistance	6,736	1,087	3,266	4,557
Firefighting	35,538	56,527	71,514	20,551
Cumulative Fire	<u>36,570</u>	<u>24,882</u>	<u>5,672</u>	<u>55,780</u>
Totals	<u>\$ 99,247</u>	<u>\$ 147,505</u>	<u>\$ 128,804</u>	<u>\$ 117,948</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 36,513	\$ 37,474	\$ 51,907	\$ 22,080
Dog	547	242	247	542
Township Assistance	4,557	5,567	2,909	7,215
Firefighting	20,551	75,305	56,506	39,350
Cumulative Fire	<u>55,780</u>	<u>24,085</u>	<u>1,800</u>	<u>78,065</u>
Totals	<u>\$ 117,948</u>	<u>\$ 142,673</u>	<u>\$ 113,369</u>	<u>\$ 147,252</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 22,080	\$ 57,269	\$ 56,135	\$ 23,214
Dog	542	239	242	539
Township Assistance	7,215	5,904	4,623	8,496
Firefighting	39,350	54,202	58,463	35,089
Cumulative Fire	<u>78,065</u>	<u>23,008</u>	<u>-</u>	<u>101,073</u>
Totals	<u>\$ 147,252</u>	<u>\$ 140,622</u>	<u>\$ 119,463</u>	<u>\$ 168,411</u>

The accompanying notes are an integral part of the schedules.

CLAY TOWNSHIP, MORGAN 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. 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, MORGAN COUNTY
EXAMINATION RESULT AND COMMENT

PAYROLL DEDUCTIONS

Payments to officials and employees were made without payroll deductions for taxes.

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)

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)

CLAY TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2006, with Bill Plumber, Trustee. The official concurred with our finding.