

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

EXAMINATION REPORT

OF

CLAY TOWNSHIP

DEARBORN COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

03/28/2007

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OFFICIALS

Office

Official

Term

Trustee

Jerry R. Caldwell

01-01-03 to 12-31-10

Chairman of the
Township Board

Scott A. Fortner

01-01-04 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Clay Township (Township), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information of the Township for the years ended December 31, 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

February 20, 2007

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Township	\$ 13,272	\$ 16,570	\$ 21,024	\$ 8,818
Dog	1,541	88	-	1,629
Township Assistance	(400)	8,498	3,906	4,192
Firefighting	20,844	37,847	42,382	16,309
Rainy Day	-	4,009	-	4,009
Fiduciary Fund:				
Payroll Withholdings	481	1,759	1,616	624
Totals	<u>\$ 35,738</u>	<u>\$ 68,771</u>	<u>\$ 68,928</u>	<u>\$ 35,581</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 8,818	\$ 24,026	\$ 20,756	\$ 12,088
Dog	1,629	152	1,329	452
Township Assistance	4,192	4,614	3,458	5,348
Firefighting	16,309	49,568	39,850	26,027
Rainy Day	4,009	-	-	4,009
Fiduciary Fund:				
Payroll Withholdings	624	1,759	1,760	623
Totals	<u>\$ 35,581</u>	<u>\$ 80,119</u>	<u>\$ 67,153</u>	<u>\$ 48,547</u>

The accompanying notes are an integral part of the schedules.

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

CONFLICT OF INTEREST DISCLOSURE

Judy Caldwell, Clerk, is the spouse of Jerry R. Caldwell, Trustee. A Uniform Conflict of Interest Disclosure Statement was filed.

Indiana Code 35-44-1-3 states in part:

“(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . .”

“(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6).”

“(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . .”

“(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . .”

“(k) As used in this section, ‘dependent’ means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant.”

TOWNSHIP ASSISTANCE STANDARDS

No written township standards were presented for examination.

Indiana Code 12-20-5.5 states in part:

“(a) The township trustee shall process all applications for the poor relief according to uniform written standards . . .”

“(b) The township’s standards for the issuance of township assistance and the processing of applications must be: . . . proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners.

CLAY TOWNSHIP, DEARBORN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369 or a similar record.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

NO SALARY RESOLUTION

Township Form 17, Resolution Recommending Salaries of Township Officers and Employees, was not in use during the examination period.

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)

CLAY TOWNSHIP, DEARBORN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2007, with Jerry R. Caldwell, Trustee.