

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

JOHNSON TOWNSHIP

CLINTON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
02/15/2013

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-----------------------------------|-----------------|----------------------|
| Trustee | Kim R. Rawlings | 01-01-07 to 12-31-10 |
| | Thomas Marshall | 01-01-11 to 12-31-14 |
| Chairman of the Township Board | Thomas Marshall | 01-01-10 to 12-31-10 |
| | Keith Johnson | 01-01-11 to 12-31-13 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Johnson Township (Township), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior period.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Township's management, Township Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 10, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

JOHNSON TOWNSHIP, CLINTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

| Fund | Cash and Investments 01-01-10 | Receipts | Disbursements | Cash and Investments 12-31-10 |
|---------------------|-------------------------------------|-------------------|------------------|-------------------------------------|
| Township | \$ 161,373 | \$ 132,877 | \$ 60,642 | \$ 233,608 |
| Township Assistance | 7,054 | 13,790 | 6,036 | 14,808 |
| Fire Fighting | 11,045 | 59,609 | 32,000 | 38,654 |
| Dog | 344 | - | - | 344 |
| Levy Excess | 2,237 | 246 | - | 2,483 |
| Rainy Day | 2,769 | 1,712 | - | 4,481 |
| Totals | <u>\$ 184,822</u> | <u>\$ 208,234</u> | <u>\$ 98,678</u> | <u>\$ 294,378</u> |

The notes to the financial statements are an integral part of this statement.

JOHNSON TOWNSHIP, CLINTON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

| Fund | Cash and Investments 01-01-11 | Receipts | Disbursements | Cash and Investments 12-31-11 |
|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Township | \$ 233,608 | \$ 62,358 | \$ 34,022 | \$ 261,944 |
| Township Assistance | 14,808 | 5,252 | 7,169 | 12,891 |
| Fire Fighting | 38,654 | 4,141 | 42,795 | - |
| Rainy Day | 4,481 | - | - | 4,481 |
| Levy Excess | 2,483 | - | - | 2,483 |
| Dog | 344 | - | - | 344 |
| Totals | <u>\$ 294,378</u> | <u>\$ 71,751</u> | <u>\$ 83,986</u> | <u>\$ 282,143</u> |

The notes to the financial statements are an integral part of this statement.

JOHNSON TOWNSHIP, CLINTON COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), and general administrative services (weed control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: cemetery fees.

JOHNSON TOWNSHIP, CLINTON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

JOHNSON TOWNSHIP, CLINTON COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

JOHNSON TOWNSHIP, CLINTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

| | Township | Township Assistance | Fire Fighting | Dog | Levy Excess | Rainy Day | Totals |
|---------------------------------------|-------------------|------------------------|------------------|---------------|-----------------|-----------------|-------------------|
| Cash and investments - beginning | \$ 161,373 | \$ 7,054 | \$ 11,045 | \$ 344 | \$ 2,237 | \$ 2,769 | \$ 184,822 |
| Receipts: | | | | | | | |
| Taxes | 108,559 | 13,790 | 59,609 | - | 246 | - | 182,204 |
| Intergovernmental | - | - | - | - | - | 1,712 | 1,712 |
| Charges for services | 76 | - | - | - | - | - | 76 |
| Other receipts | <u>24,242</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>24,242</u> |
| Total receipts | <u>132,877</u> | <u>13,790</u> | <u>59,609</u> | <u>-</u> | <u>246</u> | <u>1,712</u> | <u>208,234</u> |
| Disbursements: | | | | | | | |
| Personal services | 57,328 | 6,036 | 32,000 | - | - | - | 95,364 |
| Supplies | 177 | - | - | - | - | - | 177 |
| Other services and charges | <u>3,137</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,137</u> |
| Total disbursements | <u>60,642</u> | <u>6,036</u> | <u>32,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>98,678</u> |
| Excess of receipts over disbursements | <u>72,235</u> | <u>7,754</u> | <u>27,609</u> | <u>-</u> | <u>246</u> | <u>1,712</u> | <u>109,556</u> |
| Cash and investments - ending | <u>\$ 233,608</u> | <u>\$ 14,808</u> | <u>\$ 38,654</u> | <u>\$ 344</u> | <u>\$ 2,483</u> | <u>\$ 4,481</u> | <u>\$ 294,378</u> |

JOHNSON TOWNSHIP, CLINTON COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

| | Township | Township Assistance | Fire Fighting | Rainy Day | Levy Excess | Dog | Totals |
|--|-------------------|------------------------|------------------|-----------------|-----------------|---------------|-------------------|
| Cash and investments - beginning | \$ 233,608 | \$ 14,808 | \$ 38,654 | \$ 4,481 | \$ 2,483 | \$ 344 | \$ 294,378 |
| Receipts: | | | | | | | |
| Taxes | 30,639 | 5,135 | 3,873 | - | - | - | 39,647 |
| Intergovernmental | 22,482 | 117 | 268 | - | - | - | 22,867 |
| Charges for services | 108 | - | - | - | - | - | 108 |
| Other receipts | 9,129 | - | - | - | - | - | 9,129 |
| Total receipts | <u>62,358</u> | <u>5,252</u> | <u>4,141</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>71,751</u> |
| Disbursements: | | | | | | | |
| Personal services | 14,501 | - | - | - | - | - | 14,501 |
| Supplies | 207 | - | - | - | - | - | 207 |
| Other services and charges | 8,750 | 7,169 | - | - | - | - | 15,919 |
| Capital outlay | 8,956 | - | - | - | - | - | 8,956 |
| Other disbursements | 1,608 | - | 42,795 | - | - | - | 44,403 |
| Total disbursements | <u>34,022</u> | <u>7,169</u> | <u>42,795</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>83,986</u> |
| Excess (deficiency) of receipts over disbursements | <u>28,336</u> | <u>(1,917)</u> | <u>(38,654)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(12,235)</u> |
| Cash and investments - ending | <u>\$ 261,944</u> | <u>\$ 12,891</u> | <u>\$ -</u> | <u>\$ 4,481</u> | <u>\$ 2,483</u> | <u>\$ 344</u> | <u>\$ 282,143</u> |

JOHNSON TOWNSHIP, CLINTON COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| | <u>Ending Balance</u> |
|-----------------------------------|---------------------------|
| Governmental activities: | |
| Machinery, equipment and vehicles | \$ <u>8,956</u> |
| Total capital assets | \$ <u><u>8,956</u></u> |

JOHNSON TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYROLL WITHHOLDINGS

For the year 2011, the Trustee was withholding social security taxes from each employee at the rate of 6.2 percent of gross wages. In 2010, Congress passed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, which reduced the amount of social security taxes that were to be withheld from the employees from 6.2 percent to 4.2 percent of gross wages for the 2011 calendar year. The extra withholdings from employees amounted to \$290 for 2011.

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)

ANNUAL REPORT

An annual report for 2010 was not submitted until July 14, 2011.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year . . ."

CERTIFIED REPORT NOT FILED ON TIME

The Township did not file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) by the statutory due date with the State Board of Accounts for the years 2010 and 2011.

Indiana Code 5-11-13-1 states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

JOHNSON TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

| Fund | Years | Excess Amount Expended |
|---------------------|-------|------------------------------|
| Township | 2010 | \$ 3,092 |
| Township Assistance | 2010 | 36 |
| Township | 2011 | 6,472 |
| Township Assistance | 2011 | 1,169 |
| Fire Fighting | 2011 | 10,795 |

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PAYMENTS FOR CEMETERY CARE AND FIREFIGHTING SERVICES

Supporting documentation, agreements or contracts for payments for cemetery care and firefighting services, for the examination period, were not presented for review.

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 employee. (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

All payments made to Kim R. Rawlings, former Trustee, for his 2010 compensation were not reported correctly on the W-2 form that was filed with the Social Security Administration. The amount shown on the W-2 for 2010 was \$9,999.96; however, the records presented indicated Mr. Rawlings received \$11,874.96 in compensation, a difference of \$1,875.00.

Additionally, Kim R. Rawlings, former Trustee, received payments, from the Township, in the amount of \$20,250.00 for the destruction of detrimental plants on vacant properties within the township. No supporting documentation was presented to indicate that these payments were reported to Federal and State authorities.

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

JOHNSON TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

EXPENSES FOR DESTROYING DETRIMENTAL PLANTS

Payments of \$20,250 were made to Kim R. Rawlings, former Trustee in 2010 for destroying detrimental plants in the Township.

A contract between the Township Board and the Trustee, presented for examination by the former Trustee, called for the Trustee to be paid for the work at a rate of \$100 per hour. The contract was signed by two of the three Township Board members.

Indiana Code 15-16-8-5(a) states: "The township trustee may pay the following costs incurred in cutting or destroying detrimental plants under this chapter: (1) Chemical (2) Work (3) Labor, at a rate per hour to be fixed by the township trustee commensurate with local hourly wages.

Indiana Code 36-6-4-3 states in part:

"The executive shall do the following: . . . (13) Destroy detrimental plants, noxious weeds, and rank vegetation under IC 15-3-4. (14) Provide insulin to the poor under IC 15-16-8."

Indiana Code 36-6-6-10 states in part:

"(b) The township legislative body shall fix the: (1) salaries; (2) wages; (3) rates of hourly pay; and (4) remuneration other than statutory allowances; of all officers and employees of the township . . . (d) Except as provided in subsection (e), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee . . ."

We are not aware of any statutory provisions which would allow a trustee to circumvent a township board's authority to "fix the salaries" of a trustee by "contracting with themselves" to provide for cemetery care, township assistance investigations, weed eradication, and other statutory duties, etc. Therefore, the State Board of Accounts is of the audit position that compensation provided by a township board in accordance with IC 36-6-6-10 is all inclusive for all duties performed by a trustee. (Township Bulletin and Uniform Compliance Guidelines, Volume 284, June 2009)

SALARY AND RENT OVERPAYMENTS

Salary and rent overpayments were made during 2010 to Kim R. Rawlings, former Trustee, in the following amounts:

JOHNSON TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

| Description | Amount Authorized | Payments | Amount Overpaid |
|---|----------------------|---------------------|--------------------|
| 2010 Salary | \$ 10,000.00 | \$ 11,874.96 | \$ 1,874.96 |
| 2010 Rent | <u>6,000.00</u> | <u>15,000.00</u> | <u>9,000.00</u> |
| Totals | <u>\$ 16,000.00</u> | <u>\$ 26,874.96</u> | <u>10,874.96</u> |
| Amount repaid by Kim R. Rawlings, former Trustee | | | <u>9,000.00</u> |
| Amount overpaid | | | <u>\$ 1,874.96</u> |

On February 7, 2011, Kim R. Rawlings, former Trustee, reimbursed the Township \$9,000.00 for the rent overpayments listed above.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Kim R. Rawlings, former Trustee, was requested to repay the Township \$1,874.96 for overpayment of salary for 2010. On February 5, 2013, Kim R. Rawlings, former Trustee, reimbursed the Township \$1,874.96. (See Summary of Charges, page 21)

OFFICIAL BOND - REQUIREMENTS

The State of Indiana, through Johnson Township, held an official bond on Kim R. Rawlings, former Trustee, in the amount of \$15,000 for the term beginning January 1, 2007, until his successor is duly qualified. The bond was underwritten by Pekin Insurance Company.

Indiana Code 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee . . ."

The State Board of Accounts is of the audit position continuation certificates or renewals should not be used in lieu of obtaining the required annual bond coverage. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

JOHNSON TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

Official bonds for Kim R. Rawlings, former Trustee, were obtained and covered the period beginning from January 1, 2007, until successor is duly qualified. The guarantor was Pekin Insurance Company.

JOHNSON TOWNSHIP, CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 6, 2012, with Kim R. Rawlings, former Trustee.

The contents of this report were discussed on December 13, 2012, with Thomas Marshall, Trustee. The official concurred with our findings.

JOHNSON TOWNSHIP, CLINTON COUNTY
SUMMARY OF CHARGES

| | <u>Charges</u> | <u>Credits</u> | <u>Balance Due</u> |
|---|---------------------|---------------------|--------------------|
| Kim R. Rawlings, former Trustee: | | | |
| Salary and Rent Overpayments, pages 17 and 18 | \$ 10,874.96 | \$ | \$ |
| Repayment deposited, February 7, 2011 | | 9,000.00 | |
| Repayment deposited, February 5, 2013 | | <u>1,874.96</u> | <u>-</u> |
| Totals | <u>\$ 10,874.96</u> | <u>\$ 10,874.96</u> | <u>\$ -</u> |