

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

COMPLIANCE REPORT

OF

OWEN TOWNSHIP

CLINTON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
04/18/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard T. Ryan	01-01-12 to 06-30-14
	Cory L. Klinedinst	07-01-14 to 12-31-18
Chairman of the Township Board	Lewis B. Flohr	01-01-12 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Owen Township (Township), Clinton County, for the period January 1, 2012 to December 31, 2016, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

February 23, 2017

OWEN TOWNSHIP, CLINTON COUNTY  
RESULTS AND COMMENTS

**DEPOSITORY RECONCILIATIONS**

Depository reconciliations of the fund balances to the bank account balances were not presented for review during the period. There was no evidence that they were completed.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

**ANNUAL REPORT ERRORS**

The Annual Financial Report (AFR) filed on Gateway for 2012, 2013, 2014, and 2015 did not match the Township's records.

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2012	Township	Beg Bal	\$18,316.72	\$18,301.38	\$ 15.34
2012	Township	Rec	26,545.05	26,761.40	(216.35)
2012	Township	Disb	27,537.96	27,522.62	15.34
2012	Township	End Bal	17,323.81	17,540.16	(216.35)
2013	Township	Beg Bal	17,323.81	17,540.16	(216.35)
2013	Township	End Bal	11,007.95	11,224.30	(216.35)
2013	Fire Debt	Rec	17,417.20	18,090.20	(673.00)
2013	Fire Debt	End Bal	21,237.85	21,910.85	(673.00)
2014	Township	Beg Bal	11,007.95	11,224.30	(216.35)
2014	Township	Disb	23,749.62	23,918.21	(168.59)
2014	Township	End Bal	13,852.90	13,900.66	(47.76)
2014	Township Assistance	Rec	22,034.67	22,722.67	(688.00)
2014	Township Assistance	End Bal	1,493.35	2,181.35	(688.00)
2014	Fire Debt	Beg Bal	21,237.85	21,910.85	(673.00)
2014	Fire Debt	End Bal	3,166.33	3,839.33	(673.00)
2014	Levy Excess	Rec	-	6.63	(6.63)
2014	Levy Excess	End Bal	-	6.63	(6.63)
2015	Township	Beg Bal	18,329.25	13,900.66	(4,428.25)
2015	Township	Disb	20,394.47	21,297.17	(902.70)
2015	Township	End Bal	17,557.87	12,226.58	5,331.29
2015	Township Assistance	Beg Bal	1,493.35	2,181.35	(688.00)
2015	Township Assistance	End Bal	10,967.65	11,655.65	(688.00)
2015	Fire Debt	Beg Bal	3,166.33	3,839.33	(673.00)
2015	Fire Debt	End Bal	3,166.33	3,839.33	(673.00)
2015	Levy Excess	Beg Bal	-	6.63	(6.63)
2015	Levy Excess	End Bal	-	6.63	(6.63)

OWEN TOWNSHIP, CLINTON COUNTY  
RESULTS AND COMMENTS  
(Continued)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**APPROPRIATIONS**

The records presented for review indicated the following disbursements in excess of budgeted appropriations:

Years	Fund	Excess Amount Expended
2012	Township Assistance	\$ 588.49
2012	Fire Fighting	2,263.65
2012	Cum Fire	3,500.00
2013	Township Assistance	10,246.56
2013	Fire Fighting	906.00
2014	Township Assistance	10,440.32
2014	Fire Fighting	1,975.92

**UNDERPAYMENT OF SALARIES**

The Trustee erroneously withheld both the employee and employer share of Social Security and Medicare taxes on salaries paid in 2014, 2015, and 2016. As a result of this error, the Trustee was underpaid \$267.75, \$459.50, and \$459 for the years 2014, 2015, and 2016, respectively. The Township Clerk was underpaid \$38.25, \$114.75, and \$114.75 for the years 2014, 2015, and 2016, respectively. Each of the Township Board members were underpaid \$99.45 for the years 2014, 2015, and 2016.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**ADVANCE PAYMENTS**

On 19 occasions, the Township paid compensation ranging from \$1,200 to \$3,000 to employees in advance of the actual date the services were provided.

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

OWEN TOWNSHIP, CLINTON COUNTY  
RESULTS AND COMMENTS  
(Continued)

***PENALTIES AND INTEREST***

The Township paid penalties and interest in the amount of \$119.20 for failure to remit tax payments on a timely basis. Three quarterly federal tax return payments were late causing the penalties and interest.

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 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 unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)



OWEN TOWNSHIP, CLINTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2017, with Cory L. Klinedinst, Trustee.