

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

COMPLIANCE ENGAGEMENT REPORT

OF

JOHNSON TOWNSHIP

LAGRANGE COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED
04/18/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Amy L. McKowen	01-01-19 to 12-31-24
Chair of the Township Board	Joan Van Wagner	01-01-19 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Johnson Township (Township), for the period of January 1, 2019 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Amy L. McKowen, Trustee, and Joan Van Wagner, Chair of the Township Board, on April 10, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 10, 2024

JOHNSON TOWNSHIP, LAGRANGE COUNTY
COMMENTS

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

Internal controls were not in place to ensure that training on internal control standards by required personnel was conducted. The Township did not provide evidence that appropriate personnel received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

JOHNSON TOWNSHIP, LAGRANGE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
TOWNSHIP GENERAL	\$ 61,259	\$ 89,625	\$ 95,301	\$ 55,583	\$ 111,856	\$ 88,867	\$ 78,572
HANSEN BEQUEST	10,547	-	-	10,547	-	-	10,547
Parks and Recreation	7,928	2,732	2,500	8,160	3,970	2,500	9,630
Township Assistance	16,397	29,868	9,384	36,881	11,912	12,659	36,134
FIREFIGHTING	178,453	109,403	81,376	206,480	112,074	63,950	254,604
Rainy Day	46,500	11,373	-	57,873	-	-	57,873
EXCESS LEVY	3	-	-	3	-	-	3
CUMULATIVE FIRE	152,436	55,691	104,158	103,969	85,956	111,687	78,238
MISCELLANEOUS RECEIPT CODE	-	142	-	142	-	-	142
PAYROLL DEDUCTIONS	3,566	20,830	21,018	3,378	12,223	10,775	4,826
ADAMS LAKE EASEMENT IMPROVEMENT FUND	563	-	-	563	-	-	563
BAILEY BEQUEST	200	-	-	200	15	-	215
SUTTON HH BOND BEQUEST	2,000	15	-	2,015	-	-	2,015
Totals	<u>\$ 479,852</u>	<u>\$ 319,679</u>	<u>\$ 313,737</u>	<u>\$ 485,794</u>	<u>\$ 338,006</u>	<u>\$ 290,438</u>	<u>\$ 533,362</u>

JOHNSON TOWNSHIP, LAGRANGE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
TOWNSHIP GENERAL	\$ 78,572	\$ 108,022	\$ 88,718	\$ 97,876	\$ 125,913	\$ 87,258	\$ 136,531
HANSEN BEQUEST	10,547	-	-	10,547	-	-	10,547
Parks and Recreation	9,630	4,083	2,500	11,213	3,962	-	15,175
Township Assistance	36,133	12,250	9,841	38,542	12,326	5,528	45,340
FIREFIGHTING	254,605	125,292	92,885	287,012	124,859	145,461	266,410
Rainy Day	57,873	-	-	57,873	-	-	57,873
EXCESS LEVY	3	3	5	1	-	-	1
CUMULATIVE FIRE	78,237	88,413	-	166,650	84,579	-	251,229
MISCELLANEOUS RECEIPT CODE	142	-	-	142	-	-	142
PAYROLL DEDUCTIONS	4,826	12,625	11,066	6,385	19,616	14,671	11,330
ADAMS LAKE EASEMENT IMPROVEMENT FUND	563	-	-	563	-	-	563
BAILEY BEQUEST	215	-	-	215	-	-	215
SUTTON HH BOND BEQUEST	2,015	-	-	2,015	-	-	2,015
Totals	<u>\$ 533,361</u>	<u>\$ 350,688</u>	<u>\$ 205,015</u>	<u>\$ 679,034</u>	<u>\$ 371,255</u>	<u>\$ 252,918</u>	<u>\$ 797,371</u>