

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

EXAMINATION REPORT

OF

JOHNSON TOWNSHIP

RIPLEY COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**  
7/26/06



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OFFICIALS

Office

Official

Term

Trustee

James Samples  
Joyce Samples

01-01-03 to 12-31-04  
01-01-05 to 12-31-06

Chairman of the  
Township Board

Carol Holzer

01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Johnson Township (Township), for the period of January 1, 2003 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, 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 1, 2006

JOHNSON TOWNSHIP, RIPLEY 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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 145,883	\$ 26,028	\$ 33,939	\$ 137,972
Dog	590	553	790	353
Township Assistance	59,514	10,187	10,332	59,369
Firefighting	73,639	10,214	9,140	74,713
Levy Excess	-	251	-	251
Fiduciary Fund:				
Payroll Withholdings	201	803	736	268
Totals	<u>\$ 279,827</u>	<u>\$ 48,036</u>	<u>\$ 54,937</u>	<u>\$ 272,926</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 137,972	\$ 51,277	\$ 32,787	\$ 156,462
Dog	353	199	53	499
Township Assistance	59,369	29,490	17,812	71,047
Firefighting	74,713	16,789	12,626	78,876
Levy Excess	251	-	-	251
Fiduciary Fund:				
Payroll Withholdings	268	798	860	206
Totals	<u>\$ 272,926</u>	<u>\$ 98,553</u>	<u>\$ 64,138</u>	<u>\$ 307,341</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 156,462	\$ 45,757	\$ 27,507	\$ 174,712
Dog	499	230	200	529
Township Assistance	71,047	34,926	31,617	74,356
Firefighting	78,876	12,873	10,576	81,173
Levy Excess	251	-	-	251
Fiduciary Fund:				
Payroll Withholdings	206	918	895	229
Totals	<u>\$ 307,341</u>	<u>\$ 94,704</u>	<u>\$ 70,795</u>	<u>\$ 331,250</u>

The accompanying notes are an integral part of the schedules.

JOHNSON TOWNSHIP, RIPLEY 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, 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 subject to final approval by the 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.

JOHNSON TOWNSHIP, RIPLEY COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

Joyce Samples was appointed Trustee on January 1, 2005. Joyce Samples did not obtain an official bond when she began her term as Trustee. Currently, Joyce Samples still has not filed an official bond in the Office of the County Recorder:

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

We noted payments to the Township Board members for compensation made without payroll taxes being deducted. Also, the Township did not file an Internal Revenue Service Form W-2 for the compensation paid to the Township Board members.

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. Non-compliance 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)

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)

APPROPRIATIONS

Records presented for audit indicated that Township Assistance Fund expenditures for 2005 exceeded budgeted appropriations in the amount of \$9,517.

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."

JOHNSON TOWNSHIP, RIPLEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2006, with Joyce Samples, Trustee; and James Samples, Clerk. The officials concurred with our findings.