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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](http://www.in.gov/sboa)

June 27, 2016

TO: THE OFFICIALS OF DICK JOHNSON TOWNSHIP, CLAY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Dick Johnson Township (Township), for the period of January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow generally accepted auditing standards in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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

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

**Unresolved Comments From Prior Report**

- *Payments were made for cemetery mowing for 2012 and 2013 that were not supported by a written contract. Some payments for cemetery mowing made in 2014 and 2015 were not supported by a contract.*
- *The Trustee's Surety Bond was insufficient for 2012. The Trustee did not obtain an individual Surety Bond for 2013.*
- *Employees of the Township were paid without the Township withholding federal, state, and local taxes.*
- *The Township Board did not fix the salaries of Township officers and employees for 2012, 2013, 2014, and 2015.*

**Current Period Comments**

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation contained errors or did not balance.*

- The financial institution did not return the actual cancelled checks with the monthly bank statements, and provided no optical image of the front or back side of the checks.
- The Annual Financial Report filed on Gateway for 2012, 2013, 2014, and 2015 did not match the Township's records.

Years	Fund	Category	Amount Per Gateway	Amount Per Township Ledger	Difference
2012	Township	Receipt	\$ 15,443.60	\$ 15,824.75	\$ 381.15
2012	Township	Disb	24,307.51	24,303.34	(4.17)
2012	Township Assistance	Disb	613.08	845.25	232.17
2012	Fire Fighting Fund	Disb	38,097.73	36,606.60	(1,491.13)
2012	Dog Fund	Disb	395.00	-	(395.00)
2013	Fire Fighting Fund	Disb	57,721.33	58,575.18	853.85
2013	Fire Fighting Fund	End Bal	64,705.41	57,914.55	(6,790.86)
2014	Township	Receipts	30,978.35	29,515.04	(1,463.31)
2014	Fire Fighting Fund	Receipts	34,431.55	19,178.88	(15,252.67)
2014	Township	Disb	31,299.69	31,530.43	230.74
2014	Township	End Bal	17,241.01	14,263.15	(2,977.89)
2014	Township Assistance	End Bal	9,749.28	11,249.28	1,500.00
2014	Fire Fighting Fund	End Bal	61,744.80	62,667.55	922.75
2014	Rainy Day	End Bal	2,154.33	2,134.33	(20.00)
2014	Fire Fighting Fund	Disb	37,392.16	36,463.41	928.75
2015	Township	Beg Bal	17,241.01	15,546.95	(1,694.06)
2015	Township	Receipts	28,374.80	30,068.36	1,693.56
2015	Township Assistance	Beg Bal	9,749.28	11,249.28	1,500.00
2015	Township Assistance	Receipts	3,399.83	1,899.63	(1,500.20)
2015	Fire Fighting Fund	Beg Bal	61,744.80	62,667.26	922.46
2015	Fire Fighting Fund	Receipt	39,842.19	38,919.73	(922.46)
2015	Rainy Day	Beg Bal	2,154.33	2,134.33	(20.00)

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

Year	Fund	Excess Amount Disbursed
2012	Fire Fighting	\$ 5,106.60

- The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012 100-R stated the Trustee's total compensation was \$4,800 but the Trustee actually was paid 4,400 in 2012. In 2013, the 100-R stated the Trustee's total compensation was \$5,071.20 but actually paid \$4,800; the Township Board shows on the 100-R as being paid \$2,535.60 and actual compensation was \$2,400; the Clerk's compensation was submitted on 100-R as \$1,003.68 and actual compensation was \$950. The 2014 100-R submitted the Clerk's compensation was \$1,000 and actual compensation was \$490.
- The Township did not have the required meeting to review and adopt the Annual Financial Report in accordance with Indiana Code 36-6-6-9 for 2012 and 2014.
- The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2012, 2013, and 2014. The report was filed on June 26, 2013, March 4, 2014, and February 7, 2015, which was 146 days, 32 days, and 7 days past the due date, respectively.

- *The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 2014.*
- *The Township did not have a Nepotism Policy for 2012 and 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2014, and 2015.*
- *The Township did not have a Contracting Policy for 2012, 2013, 2014, and 2015.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, and 2015.*
- *The wages reported on the W-2s issued for 2014 did not agree with the actual amounts paid to employees.*
- *W-2s were not issued for all Township employees for 2012 and 2013.*
- *A payment made in 2013 was observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. A Township Assistance payment was made in 2015 with no supporting documentation presented for review.*
- *The Township paid penalties, interest, and other charges in the amount of \$185.73 because the Township did not remit payments on a timely basis.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *There were not any minutes of meetings of the governing body presented for review for 2014.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on April 21, 2016, with Terry Castor, Trustee.

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