

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

COMPLIANCE REPORT

OF

JOHNSON TOWNSHIP

RIPLEY COUNTY, INDIANA

January 1, 2014 to December 31, 2017



FILED
02/07/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Toni Halcomb	01-01-11 to 12-31-18
Chairman of the Township Board	Carol Holzer	01-01-14 to 12-31-14
	Matthew McNew	01-01-15 to 12-31-16
	Carrie McNew	01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JOHNSON TOWNSHIP, RIPLEY 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), Ripley County, for the period of January 1, 2014 to December 31, 2017, 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 non-compliance 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 Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

December 23, 2018

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OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Township's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

JOHNSON TOWNSHIP, RIPLEY COUNTY
 SCHEDULE OF CASH AND INVESTMENT
 BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

<u>Fund</u>	<u>Cash and Investments 12-31-17</u>
Township	\$ 36,229
Township Assistance	80,467
Fire Fighting	15,680
Rainy Day	2,505
Levy Excess	<u>144</u>
Total	<u>\$ 135,025</u>

JOHNSON TOWNSHIP, RIPLEY COUNTY
RESULTS AND COMMENTS

COMPENSATION

A similar comment also appeared in prior Report B44655.

The Township did not provide an annual salary resolution or ordinance, Township Board minutes, or other documentation setting and approving the salaries of Township officers and employees during the engagement period.

Indiana Code 36-6-6-10(b) states:

"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."

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 law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONDITION OF RECORDS

A similar comment also appeared in prior Report B44655.

The Annual Financial Report for 2014, 2015, 2016, and 2017 contained errors due to the incorrect recording of receipts and disbursements, and the improper inclusion of an investment balance. As a result, the ending cash and investments balance was overstated by \$87,307. Adjustments were proposed and accepted by management. The adjustments were made to the December 31, 2017 balances reported in this report; however, as of the date of this report, the adjustments had not been made to the Annual Financial Report in Gateway by the Township.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

JOHNSON TOWNSHIP, RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 23, 2018, with Toni Halcomb, Trustee.