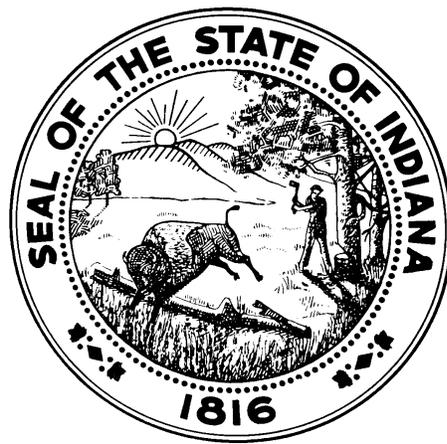


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
BROOKVILLE TOWNSHIP
FRANKLIN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
04/15/2009

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OFFICIALS

Office

Official

Term

Trustee

Daniel D. Dorrel

01-01-03 to 12-31-10

Chairman of the
Township Board

Frank Deutsch

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROOKVILLE TOWNSHIP, FRANKLIN COUNTY, INDIANA

We have examined the financial information presented herein of Brookville Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 10, 2008

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 3,282	\$ 18,190	\$ 17,871	\$ 3,601
Dog	258	68	326	-
Township Assistance	8,071	31,557	34,959	4,669
Firefighting	2,089	10,549	14,468	(1,830)
Cemetery	1,619	1,330	1,271	1,678
Levy Excess	-	610	-	610
Totals	<u>\$ 15,319</u>	<u>\$ 62,304</u>	<u>\$ 68,895</u>	<u>\$ 8,728</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 3,601	\$ 23,105	\$ 22,033	\$ 4,673
Township Assistance	4,669	30,330	32,354	2,645
Firefighting	(1,830)	11,124	7,175	2,119
Cemetery	1,678	-	1,678	-
Levy Excess	610	-	610	-
Totals	<u>\$ 8,728</u>	<u>\$ 64,559</u>	<u>\$ 63,850</u>	<u>\$ 9,437</u>

The accompanying notes are an integral part of the financial information.

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
NOTES TO FINANCIAL INFORMATION

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 are subject to final approval by the Indiana 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.

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.

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEDUCTIONS

Payments to all employees were made without payroll deductions for taxes. A similar comment appeared in the prior examination Report B27814.

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. Noncompliance may require corrective action. (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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not comply with directives of the Internal Revenue Service and the Indiana Department of Revenue by failing to file W-2 forms for any employees in 2006 and 2007.

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. Noncompliance 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)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established. A similar comment appeared in the prior examination Report B27814.

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DONATIONS

The Township donated \$1,000 to the Noah Brothers for fireworks in 2007. A similar comment appeared in the prior examination Report B27814. The Township Trustee reimbursed the Township \$1,000. (See Summary, page 11)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. A similar comment appeared in the prior examination Report B27814.

Indiana Code 5-13-6-1(e) states in part: "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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SALARY RESOLUTION

Salaries of Township officers were set and recorded in the minutes of the Township Board each year. However, the Certificate of Appropriations signed for 2006 establishing the budgets, including salaries, did not always agree with the minutes. Township Form 17 (Resolution Recommending Salaries of Township Officers and Employees) was not presented for 2006 or 2007.

A similar comment appeared in the prior examination Report B27814.

Indiana Code 36-6-6-10 requires the township board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the township board should record the salaries so fixed in the Township Board minutes. A type of format for recording these salaries should be the existing format of Township Form 17. We recommended the board set the salaries of township officials and employees, except assessing officials and employees, in conjunction with the preparation and completion of the township budget. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

INFORMATIONAL COMMENT – OFFICIAL BONDS

Daniel D. Dorrel, Brookville Township Trustee, was covered by the following official bonds:

Surety: Auto Owners	Amount: \$15, 000 Each Bond
Bond No.: 2006000793	Term: 01-01-06 to 01-01-07
Bond No.: 2007000377	Term: 01-01-07 to 01-01-08
Bond No.: 2008000298	Term: 01-01-08 to 01-01-09

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2008, with Daniel D. Dorrel, Trustee. The official response has been made a part of this report and may be found on page 10.

12-14-08
8058 Golden Rd
Brookville, Ind.
47012

To whom it may concern:

Official response on audit for
twp. budget item 3 line 1
community service. Twp donated
\$1000 for citizens of community and
surroundy area for fireworks on July 4th.
The donation was given in good faith.
No excuses on my part. Understood
State Board of Accounts can rebuttal
all my concerns. Thanks for your
consideration.

Brookville Twp. Trustee
Dan Donef

Brookville Twp. Advisory Board
Frank Duetzel
Dan Bunn
Evan Bernhart

BROOKVILLE TOWNSHIP, FRANKLIN COUNTY
SUMMARY

	Charges	Credits	Balance Due
Daniel D. Dorrel, Trustee:			
Donations, page 7	\$ 1,000	\$	\$
Paid by Daniel D. Dorrel, Trustee, Check No. 8154		1,000	-
 Totals	\$ 1,000	\$ 1,000	\$ -