

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

EXAMINATION REPORT
OF
ASHLAND TOWNSHIP
MORGAN COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
10/27/2011

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|--|-------------|
| Officials | 2 |
| Independent Accountant's Report..... | 3 |
| Financial Statement: | |
| Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis..... | 6 |
| Notes to Financial Statement..... | 7-10 |
| Supplementary Information: | |
| Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances..... - Regulatory Basis | 12 |
| Examination Results and Comments: | |
| Board Minutes..... | 13 |
| Deposit of Public Funds..... | 13 |
| Receipt Issuance | 13 |
| Condition of Records | 13-14 |
| Federal and State Agencies – Compliance Requirements | 14 |
| Contract | 14 |
| Prescribed Forms | 15 |
| Budget | 15 |
| Compensation and Benefits | 15-16 |
| Disbursement Documentation | 16 |
| Conflict of Interest Disclosure..... | 16-17 |
| Examination Costs - Condition of Records..... | 17 |
| Official Bond Information | 17 |
| Exit Conference..... | 18 |
| Official Response | 19-21 |
| Summary | 22 |
| Affidavit | 23 |

OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-----------------------------------|---|--|
| Trustee | Dorothy Brummett (Vacant) Sandra Norman | 01-01-07 to 10-18-10 10-19-10 to 11-04-10 11-05-10 to 12-31-14 |
| Chairman of the Township Board | Kevin Wheeler | 01-01-10 to 12-31-11 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ASHLAND TOWNSHIP, MORGAN COUNTY, INDIANA

We have examined the financial statement of Ashland Township (Township), for the period of January 1, 2010 to December 31, 2010. The Township's management is responsible for the financial statement. 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Township for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the examination procedures applied to the financial statement, and accordingly, we express no opinion on it.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Township's management, the Township Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 9, 2011

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FINANCIAL STATEMENT

ASHLAND TOWNSHIP, MORGAN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For The Year Ended December 31, 2010

| | Cash and Investments 01-01-10 | Receipts | Disbursements | Cash and Investments 12-31-10 |
|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Township | \$ 200,987 | \$ 45,936 | \$ 11,548 | \$ 235,375 |
| Township Assistance | 20,474 | 4,162 | 6,124 | 18,512 |
| Fire Fighting | 19,466 | 9,565 | 15,000 | 14,031 |
| Rainy Day | <u>3,652</u> | <u>5,964</u> | <u>1,677</u> | <u>7,939</u> |
| Totals | <u>\$ 244,579</u> | <u>\$ 65,627</u> | <u>\$ 34,349</u> | <u>\$ 275,857</u> |

ASHLAND TOWNSHIP, MORGAN COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), and general administrative services.

The accompanying financial statement presents the financial information for the Township (primary government), and does not include financial information for any of the Township's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Township (primary government.)

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Taxes, which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Special assessments which include amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

License and permits which includes amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the

ASHLAND TOWNSHIP, MORGAN COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

permit. Examples of license and permits include: peddler licenses; dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits; and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records; copy machine charges; accident report copies, gun permit applications, 911 telephone services; recycling fees, dog pound fees; emergency medical service fees, park rental fees; swimming pool receipts; cable tv receipts; ordinance violations; fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which includes receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits help as performance guarantees (forfeitures).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services which includes outflows for salaries, wages and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which includes articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

ASHLAND TOWNSHIP, MORGAN COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Debt service principle and interest which includes fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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

ASHLAND TOWNSHIP, MORGAN COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Township by recording as a disbursement and replacement items purchased.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, Ashland Township's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

ASHLAND TOWNSHIP, MORGAN COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

| | <u>Township</u> | <u>Township Assistance</u> | <u>Fire Fighting</u> | <u>Rainy Day</u> | <u>Totals</u> |
|--|-------------------|--------------------------------|--------------------------|----------------------|-------------------|
| Cash and investments - beginning | \$ 200,987 | \$ 20,474 | \$ 19,466 | \$ 3,652 | \$ 244,579 |
| Receipts: | | | | | |
| Taxes | 41,099 | 2,485 | 9,565 | 5,964 | 59,113 |
| Charges for services | 4,712 | - | - | - | 4,712 |
| Other receipts | 125 | 1,677 | - | - | 1,802 |
| Total receipts | <u>45,936</u> | <u>4,162</u> | <u>9,565</u> | <u>5,964</u> | <u>65,627</u> |
| Disbursements: | | | | | |
| Personal services | 7,000 | 6,020 | 15,000 | - | 28,020 |
| Supplies | 1,739 | - | - | - | 1,739 |
| Other services and charges | 2,809 | 104 | - | - | 2,913 |
| Other disbursements | - | - | - | 1,677 | 1,677 |
| Total disbursements | <u>11,548</u> | <u>6,124</u> | <u>15,000</u> | <u>1,677</u> | <u>34,349</u> |
| Excess (deficiency) of receipts over disbursements | <u>34,388</u> | <u>(1,962)</u> | <u>(5,435)</u> | <u>4,287</u> | <u>31,278</u> |
| Cash and investments - ending | <u>\$ 235,375</u> | <u>\$ 18,512</u> | <u>\$ 14,031</u> | <u>\$ 7,939</u> | <u>\$ 275,857</u> |

ASHLAND TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

Minutes of meetings of the governing body were not available for examination. Similar comments appeared in the four previous examination reports.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

DEPOSIT OF PUBLIC FUNDS

Bank account deposits were not made timely. The Trustee only made four deposits in 2010. The deposits were in the months of March, August, November, and December. Similar comments appeared in previous examination reports.

Indiana Code 5-13-6-1(c) states in part:

". . . The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. . . ."

RECEIPT ISSUANCE

Receipts were not presented for examination.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

The following deficiency relating to the recordkeeping was noted.

We noted posting errors during the year. These errors included deposits not receipted to the proper funds. The June 2010 Tax Distribution and the March and April LOIT and CAGIT distributions were posted to the Township (General) Fund resulting in the Township (General) Fund balance being overstated by \$22,853.76, the Fire Fighting Fund being understated by \$19,860.64, and the Township Assistance Fund being understated by \$2,993.13. The Trustee was requested to transfer \$19,860.64 from the Township (General) Fund to the Fire Fighting Fund and \$2,993.12 from the Township (General)

ASHLAND TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Fund and to the Township Assistance Fund to correct the errors. These corrections should to be made in 2011 and reflected in that year's annual report. The report presented herein does not reflect the correction.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (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 by failing to remit 2010 payroll withholdings and the required payroll reports. Payments to employees were made without payroll deductions for taxes. Similar comments appeared in the two previous examination reports.

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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)

CONTRACT

Records presented for examination indicated the Township had a fire protection contract, totaling \$30,000, with A&A Volunteer Fire Department for 2010. Our examination revealed only \$15,000 was paid to A&A Volunteer Fire Department during 2010.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ASHLAND TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The following prescribed forms were not always in use:

Township Form No. 16 - Township Trustee's Receipt
Township Form No. 17 - Resolution Establishing Salaries
of Township Officers and Employees
Township Form No. TA-1 Application For Township Assistance
General Form No. 98 - Purchase Order
General Form Nos. 99, 99A, 99B, and 99C - Payroll related forms
General Form No. 101 - Mileage Claim

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BUDGET

The Township did not have an approved budget or additional appropriations for 2010 from the Department of Local Government Finance.

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."

COMPENSATION AND BENEFITS

A salary ordinance or resolution was not presented for examination. The previous salary ordinance authorized the Trustee to be paid \$5,000 per year and Clerk to be paid \$1,000 per year.

On March 27, 2010, Dorothy Brummett, former Trustee, received \$5,000 as payment of salary for 2010. Dorothy Brummett resigned as Trustee on October 18, 2010. Sandy Norman was appointed as Trustee on November 5, 2010. On November 22, 2010, Sandy Norman received \$833.34 as payment for the months of November and December 2010 as Trustee. Dorothy Brummett, former Trustee, was asked to reimburse the Township \$833.34 for November and December 2010 salary paid to her in advance for the period of time not served as Trustee. (See Summary, page 22)

On August 10, 2010, James Brummett former Clerk, received \$1,000 as payment of salary as Clerk for 2010. James Brummett resigned as Clerk on October 18, 2010. Travis Norman was hired on November 5, 2010, as Clerk. On November 22, 2010, Travis Norman received \$166.66 as payment for the months of November and December 2010 as Clerk. James Brummett, former Clerk, and Dorothy Brummett, former Trustee, jointly and severally were asked to reimburse the Township \$166.66 for November and December 2010 salary paid to James Brummett, former Clerk, in advance for the period of time not served as Clerk. (See Summary, page 22)

ASHLAND TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, and resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENT DOCUMENTATION

Payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

On December 11, 2010, Sandra Norman paid herself \$700 for rent and moving expenses. Sandra Norman indicated the Board authorized her to pay herself this amount; however, there was no written documentation signed by the Board to show it was authorized.

The annual appropriations of a township for the expenses of renting an office and telephone expenses must, as nearly as is possible, be equal to the actual cost of those items. If the township trustee uses a part of his residence as his office, the township board shall appropriate a reasonable sum for that office space for that office space. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

CONFLICT OF INTEREST DISCLOSURE

James Brummett, Clerk for the period of January 1, 2010 to October 18, 2010, is the son of Dorothy Brummett, Trustee. A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed.

Travis Norman, Clerk for the period of November 22, 2010 to December 31, 2010, is the spouse of Sandra Norman, Trustee. A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed

During the examination period, Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . ."

ASHLAND TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

EXAMINATION COSTS - CONDITION OF RECORDS

Numerous posting errors, undocumented payments, and overpayment of salary caused additional examination costs of \$299.06 to occur in order to verify financial statements and other information necessary for the examination report. Dorothy Brummett, former Trustee, was asked to reimburse the Township \$299.06 for examination costs. (See Summary, page 22)

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND INFORMATION

Dorothy Brummett, former Trustee, was bonded through Fidelity and Deposit Company of Maryland. The bond provided \$15,000 of coverage for the period January 1, 2008, until a successor was duly qualified.

ASHLAND TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were communicated on June 16, 2011, to Dorothy Brummett, former Trustee via certified mail.

The contents of this report were discussed on June 21, 2011, with Sandra Norman, Trustee. The official response has been made a part of this report and may be found on pages 19 through 21.

Ashland Township Trustee Office

Sandra S. Norman

3083 N. Wilson Rd. Cloverdale, In.46120

(765)528-2285 or E-Mail: ashlandtownshiptrustee@yahoo.com

Wednesday, June 22, 2011

To Whom It May Concern:

I have had an opportunity to review with member of the SBOA's office, the 2010 audit. There were several things that need to be addressed in the coming year to get this township back in the guidelines for the State Board of Accounts.

The following are some changes that we have made or plan on making:

- 1) Board Minutes: are being kept and meetings are and will continue to happen*
- 2) Deposits: We do receive checks from the Auditor's office monthly. These checks are being deposited into the township account within two business days. At that time they are being recorded in the proper manner.*
- 3) Condition of Records: The corrected amounts of the deposits were fixed and will reflect in the 2011 annual report. Therefore, all transactions have paperwork to back each thing's which was covered.*
- 4) Federal and State Requirements: All employees are having deductions for taxes taken out. These will be filed accordingly to the laws and requirements. The past years penalties will be taken care of after those offices have come to a conclusion on the total amounts due.*
- 5) Contracts: It was brought to my attention that the A & A Volunteer Fire Department did not receive their total*

- payment in 2010. On January 5, 2011, I wrote the remaining to them for the 2010 year. This will look as though we have over paid them in 2011, but will balance out in 2012. All needed contracts have been written and signed at this point.*
- 6) Prescribed Forms: All forms will be used from this point on to the best of my knowledge. This does include the Conflict of Interest form for the current clerk.*
 - 7) Budget: Is now being worked on for 2012 and will have public meetings has required by the State. Budgets will continue to be done from this point on to the best of our knowledge. (Board Members and Trustee)*
 - 8) Compensation and Benefits: These errors will be handled though the State Board of Accounts and any other office they need to include.*
 - 9) Official Bond: Has been drawn up and all insurance required for the township is though Morgan County Insurance Agency in Martinsville, Indiana.*
 - 10) Disbursement Documentation: Has been corrected and the board members have signed off on this. This transaction was done at the beginning and I did not know at the time the board needed to sign the documentation.*
 - 11) The major improvement the township has made is purchasing a workable computer and printer. We also purchased two programs which are approved by the State Board of Accounts for township assistance and accounting. These two programs will not let us move onto the next month without balancing the last month. Along with that we are now able to go the government website and retrieve all forms and deadlines. There will also be someone at each of the training courses throughout the year so that we can keep our township within the guidelines, which do change with*

each New Year or with each new law which involves your government. There are usually three or four of these courses a year.

I hope this letter will bring hope and faith to the Ashland Township residents. I am in hopes that we as a unit can make this a better year and will comply with laws in the next annual audit.

If you have any questions or concerns, please give the office a call at the number listed above.

Ashland Township Trustee

Sandra S. Norman

Sandra S. Norman

RECEIVED

JUN 8 2011

BOARD OF ACCOUNTS

Norman Co.

ASHLAND TOWNSHIP, MORGAN COUNTY
SUMMARY

| | <u>Charges</u> | <u>Credits</u> | <u>Balance Due</u> |
|--|--------------------|----------------|--------------------|
| Dorothy Brummett, former Trustee: | | | |
| Compensation and Benefits, pages 15 and 16 | \$ 833.34 | \$ - | \$ 833.34 |
| Examination Costs - Condition of Records, page 17 | 299.06 | - | 299.06 |
| James Brummett, former Clerk, and Dorothy Brummett, former Trustee, jointly and severally | | | |
| Compensation and Benefits, pages 15 and 16 | <u>166.66</u> | <u>-</u> | <u>166.66</u> |
| Totals | <u>\$ 1,299.06</u> | <u>\$ -</u> | <u>\$ 1,299.06</u> |

AFFIDAVIT

STATE OF INDIANA)
Hamilton COUNTY))

I, Beth Kelley, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Ashland Township, Morgan County, Indiana, for the period from January 1, 2010 to December 31, 2010, is true and correct to the best of my knowledge and belief.



Beth Kelley
Field Examiner

Subscribed and sworn to before me this 35 day of October, 2011.

Patricia A Bonner
Notary Public

My Commission Expires: October 14, 2014

County of Residence: Hamilton