

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

COMPLIANCE ENGAGEMENT REPORT

OF

BROWN TOWNSHIP

HENDRICKS COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
10/07/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comment.....	5
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	8-9
Summary of Charges	10
Affidavit	11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Nathan Mantlo	01-01-20 to 12-31-22
	Angela Delp	01-01-23 to 12-31-24
Chair of the Township Board	Thomas Kmetz	01-01-20 to 12-31-20
	Angela Delp	01-01-21 to 12-31-22
	James Murphy	01-01-23 to 12-31-23
	Shari M. O'Riley	01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF BROWN TOWNSHIP, HENDRICKS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Brown Township (Township), for the period of January 1, 2020 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Angela Delp, Trustee; Shari M. O'Riley, Chair of the Township Board; and James F. Murphy, Township Board member, on August 29, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

July 22, 2024

BROWN TOWNSHIP, HENDRICKS COUNTY
COMMENT

COMPENSATION AND BENEFITS

Condition and Context

On January 8, 2019, the Township Board passed Resolution 2019-1 which established the 2019 salary for the Trustee at \$7,200. This resolution was signed by two of the Township Board members and was attested by the Trustee. The Trustee only received \$3,600 in salary for 2019. The Trustee was underpaid by \$3,600.

Per Indiana Code 36-6-6-10(d), as an elected officer, the Trustee is entitled to a salary that is not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office, which was \$20,000.04; however, the Trustee attested to the salary resolution indicating consent to the lower amount, and, therefore, that is what the Trustee should have been paid.

On September 19, 2022, the Township Board passed a resolution to establish salaries of the Township. The resolution included a salary of \$20,000.04 per year for the Trustee. The Trustee was paid a total of \$36,400.04 in 2022. This results in an overpayment of \$16,400.

The Indiana State Board of Accounts requests Nathan Mantlo reimburse the Township for the net overpayment of salary in the amount of \$12,800. (See Summary of Charges, page 10)

Criteria

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)

Indiana Code 36-6-6-10 states in part:

". . . (d) Subject to subsection (e), the township legislative body may reduce the salary of an elected or appointed official. However, except as provided in subsection (i), the official is entitled to a salary that is not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

(e) Except as provided in subsection (i), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available . . .

(g) The township legislative body may not reduce the salary of the township executive without the consent of the township executive during the term of office of the township executive as set forth in [IC 36-6-4-2](#)."

(This page intentionally left blank.)

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

BROWN TOWNSHIP, HENDRICKS COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
Township Fund	\$ 501,536	\$ 2,586	\$ 69,521	\$ 434,601	\$ 3,391	\$ 20,179	\$ 417,813
Township Assistance Fund	523,819	3,923	64,423	463,319	3,246	37,513	429,052
Rainy Day Fund	7,183	14,000	9,000	12,183	6,572	5,000	13,755
Levy Excess Fund	48	-	-	48	-	-	48
Fire Building Debt Fund	32,195	92,630	73,253	51,572	87,697	71,795	67,474
Payroll Deduction Fund	122	4,782	4,299	605	3,847	4,452	-
Totals	<u>\$ 1,064,903</u>	<u>\$ 117,921</u>	<u>\$ 220,496</u>	<u>\$ 962,328</u>	<u>\$ 104,753</u>	<u>\$ 138,939</u>	<u>\$ 928,142</u>

BROWN TOWNSHIP, HENDRICKS COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
Township Fund	\$ 415,219	\$ 6,886	\$ 37,252	\$ 384,853	\$ 132,752	\$ 32,638	\$ 484,967
Township Assistance Fund	431,647	6,537	32,554	405,630	236	14,970	390,896
Rainy Day Fund	13,755	6,252	5,000	15,007	-	5,000	10,007
Levy Excess Fund	48	-	-	48	-	48	-
Fire Building Debt Fund	67,474	78,976	69,452	76,998	-	69,463	7,535
Payroll Deduction Fund	-	10,694	10,183	511	4,890	5,065	336
Totals	<u>\$ 928,143</u>	<u>\$ 109,345</u>	<u>\$ 154,441</u>	<u>\$ 883,047</u>	<u>\$ 137,878</u>	<u>\$ 127,184</u>	<u>\$ 893,741</u>

BROWN TOWNSHIP, HENDRICKS COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Nathan Mantlo, former Trustee: Compensation and Benefits, page 5	\$ 12,800	\$ 12,800	\$ -
Totals	\$ 12,800	\$ 12,800	\$ -

This report was forwarded to the Office of the Indiana Attorney General.

AFFIDAVIT

STATE OF INDIANA)
Hendricks COUNTY)

We, Misti L. Jumps and Fatima Sow, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of Brown Township, Hendricks County, Indiana, for the period from January 1, 2020 to December 31, 2023, is true and correct to the best of our knowledge and belief.

Misti L. Jumps
Field Examiner

Sow
Field Examiner

Subscribed and sworn to before me this 3rd day of October, 2024

Majorie Pike
Clerk of the Circuit Court