



STATE OF INDIANA
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B45630

STATE BOARD OF ACCOUNTS
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December 22, 2015

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Brookville Township (Township), for the period of January 1, 2010 to December 31, 2014, 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*. 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.

The Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the 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

- *Depository reconciliations of the fund balances to the bank account balances were not presented for the entire period of review.*
- *The Annual Financial Report filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Ledger</u>	<u>Difference</u>
2011	Township	Beginning Balance	\$ 2,271.71	\$ 10,976.47	\$ (8,704.76)
2011	Township Assistance	Beginning Balance	10,099.07	348.33	9,750.74
2011	Fire Fighting	Beginning Balance	0.64	(1,413.56)	1,414.20
2011	Township	Disbursements	25,361.45	25,317.45	44.00
2011	Township Assistance	Disbursements	40,982.64	40,316.44	666.20
2011	Township	Ending Balance	4,784.86	13,533.62	(8,748.76)
2011	Township Assistance	Ending Balance	6,964.23	(2,120.31)	9,084.54
2011	Fire Fighting	Ending Balance	3,571.04	2,156.84	1,414.20
2012	Township	Beginning Balance	9,569.72	13,533.62	(3,963.90)
2012	Township Assistance	Beginning Balance	13,928.46	(2,120.31)	16,048.77
2012	Fire Fighting	Beginning Balance	7,142.44	2,156.84	4,985.60
2012	Township Assistance	Disbursements	34,124.32	34,523.63	(399.31)
2012	Township	Ending Balance	15,211.03	19,174.43	(3,963.40)
2012	Township Assistance	Ending Balance	27,534.42	11,086.34	16,448.08
2012	Fire Fighting	Ending Balance	6,916.10	1,930.50	4,985.60
2013	Township	Beginning Balance	15,211.03	19,174.43	(3,963.40)
2013	Township Assistance	Beginning Balance	27,534.42	11,086.34	16,448.08
2013	Fire Fighting	Beginning Balance	6,916.10	1,930.50	4,985.60
2013	Township	Receipts	22,146.69	22,241.03	(94.34)
2013	Township	Disbursements	24,834.00	30,243.48	(5,409.48)
2013	Township Assistance	Disbursements	53,641.77	54,607.77	(966.00)
2013	Township	Ending Balance	12,523.72	11,171.98	1,351.74
2013	Township Assistance	Ending Balance	24,760.37	7,346.29	17,414.08
2013	Fire Fighting	Ending Balance	4,611.98	(373.62)	4,985.60

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	Fire Fighting	\$ 1,156.64
2010	Rainy Day	3,875.14
2011	Township Assistance	11,869.44

- Employees of the Township were paid without the Township withholding federal, state, and local taxes for the period of review.
- W-2s were not issued for Township employees during the period of review. The Township did issue 1099's to all employees in 2010.

Current Period Comments

- Please see Special Investigation Report B45629 for charges against Britney D. Ison, former Trustee.
- Financial records presented were incomplete and not reflective of the activity of the Township. Deficiencies included posting errors, checks, and receipts not recorded in the proper amounts and interest not posted.
- A Township Ledger of Receipts, Disbursements, and Balances for 2014 was not presented for review.
- The Township did not adopt a resolution establishing salaries of Township officers and employees for 2014.

- *The following funds had overdrawn balances at December 31:*


<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2010	Fire Fighting	\$ 1,413.56
2011	Township Assistance	2,120.31
2013	Fire Fighting	373.62

- *Receipts were deposited later than the first and fifteenth of the month for six monthly local tax distributions in 2012, for seven monthly local tax distributions in 2013 and for five monthly local tax distributions in 2014.*
- *Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *Payments made for Fire Protection for 2010 and Cemetery Care for 2010, 2011, 2012, 2013, and 2014 were not supported by written contracts.*
- *The Annual Financial Report was not published in accordance with Indiana Code 36-6-4-13 for 2013.*
- *The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) filed by the Township for 2012 and 2013, stated there was zero compensation to employees; however, there were four employees who received compensation.*
- *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. The report was filed on March 16, 2013, which was 44 days past the due date.*
- *The Township did not have a Nepotism Policy for 2012, 2013, and 2014.*
- *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, and 2014.*
- *The Township did not have a Contracting Policy for 2012, 2013, and 2014.*
- *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, and 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 7, 2015, with Roger Bommer, Board member. The contents of this letter were also discussed in a separate meeting on April 7, 2015, with Hans Beck, Chairman of the Township Board, and Kathryn Flaspohler, Trustee.

A Certified Letter to Britney D. Ison, former Trustee, regarding an exit conference to discuss the contents of this report was returned undelivered on April 13, 2015. Britney D. Ison, former Trustee, agreed to conduct the exit conference via email and did sign and return, via email, the pre-exit conference nondisclosure agreement. The contents of this report and exit conference documentation were then emailed to Britney D. Ison, former Trustee. As of the date of this report, Britney D. Ison, former Trustee, has not returned the exit conference form or responded to the contents of this report.


Paul D. Joyce, CPA
State Examiner